

# **Alkhaleej Training and Education Company Bylaw**

## **A Saudi Joint Stock Company**

Amended by the resolution of the Extraordinary General Assembly issued  
On 01/12/1444 AH, corresponding to 19/06/2023 AD

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## **The basic system of Alkhaleej Training and Education Company (A Saudi joint stock company listed) The first Door**

### **Article 1: Transformation of the company**

The company was transformed from a limited liability company registered in Commercial Register No. 1010103367 dated 05/30/1413 AH to a Saudi joint stock company in accordance with the provisions of the Companies Law, its bylaws and its amendments according to the following-:

### **Article Two: The name of the company**

Al Khaleej Training and Education Company, a listed Saudi joint stock company,

### **Article Three: Objectives of the Company**

The company carries out the following purposes- :

1. Training in the field of electronics, computers, and training of all kinds.
2. Teaching foreign languages and educational programmes.
3. Holding training courses in the field of public administration, marketing, business administration, accounting, sociology, and other courses.
4. Maintenance and operation.
5. Establishing, constructing, and managing private and foreign schools for all educational levels.
6. Developing, manufacturing, operating, and maintaining electronics, computer networks, infrastructure, computer software, technical preparation, and all other related works.
7. Establishing, constructing, and managing call centers, technical support, electronic business, third party marketing and, telemarketing.
8. Providing developmental and operational solutions for customer services and technical support in processing complaints.
9. Owning lands for the benefit of the company to establish projects related to the company's purposes (schools, centers, educational institutes, and sport clubs)
10. Obtaining trademarks and operating and managing public utilities and employment offices in KSA.
11. Establishing, constructing, and managing coffee shops, and cafeterias, as well as importing coffee and coffee beans.
12. Establishing, constructing, and managing sport institutes, centers, and clubs.
13. Practicing school transportation.
14. Establishing, constructing, and managing beauty centers and salons.
15. Operating human workforce.
16. Operating healthcare facilities.
17. Establishing, constructing, and managing strategic partnership institutes.
18. Providing other consultancy services in business, administrative services, planning, and administrative information.
19. Managing public relations, social media management, and e-marketing services.
20. Transportation and storage.
21. Warehouses.
22. Administrative and support services.
23. 23. Public relations and communication
24. 24. Photography activities
25. 25. Organizing and managing exhibitions and conferences
26. 26. Marketing services on behalf of others

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

**Article Four: Participation and ownership in companies**

The company may establish companies on its own with limited liability or closed joint stock, and it may participate in any way with bodies and companies that carry out similar activities to its own or that may assist in achieving its objectives. It may also own stocks and shares in other existing companies, merge with them, participate with in establishing joint-stock companies or limited liability companies, after fulfilling the requirements of the regulations and instructions in this regard. The company may also dispose these shares or stakes, provided that it does not include brokerage in trading.

**Article Five: The main office of the company**

The company's head office is located in Riyadh, Kingdom of Saudi Arabia, and the Board of Directors may establish branches, offices, or franchise in Saudi Arabia and abroad.

**Article Six: Duration of the company**

The duration of the company is (99) ninety-nine Gregorian years, starting from the date of declaring the decision of transformation announced by His Excellency the Minister of Commerce and Industry.. This duration may always be extended by a declaration announced by the Extraordinary General Assembly a year before the expiry of this date.

**Chapter Two**  
**Capital and Shares**

**Article Seven: Capital**

The company's issued capital was determined at (650,000,000) six hundred and fifty million Saudi Riyals, divided into (65,000,000) sixty-five million nominal shares of equal value. The value of each share is (10) ten Saudi Riyals, all of which are ordinary shares (cash) represented in the company's capital.

**Article Eight: Subscription to shares**

Shareholders have subscribed to the entire issued capital shares amounting to (650,000,000) six Hundred and fifty million Saudi Riyals, paid in full and offered for the public subscription in accordance with the financial market system.

**Article Nine: Preferred Shares**

1. The extraordinary general assembly of the company may issue preferred shares, redeemable shares, approve their purchase, or convert one type or category of the company's shares to another another in accordance with the executive regulations of the Companies Law for listed joint-stock companies.
2. Preferred shares may not give the right to vote in the general assemblies of shareholders, unless the company fails to pay the specified percentage to the owners of those shares from the net profits of the company after deducting the reserves - if any - for a period of three consecutive years.
3. Neither ordinary shares nor preference shares or any class thereof may be converted into redeemable shares or any class thereof; except with the approval of all shareholders of the company.
4. As an exception to the provisions of Paragraph No. (2) Of this Article, preferred shares are given the right to vote in the general assembly of shareholders if the decision of the general assembly results in reducing the company's capital, liquidating it, or selling its assets, and each preferred share shall have one vote at the General Assembly meeting.

**Article 10: Sale of shares that do not meet the value**

1. The shareholder shall pay the remainder of the value of the share on the dates specified for that. If the shareholder fails to pay on the specified date, the Board of Directors may - after notifying him/her via an e-mail or, registered letter, or any means of modern technology - sell the share in a public auction or financial market, as the case may be.
2. The company shall collect from the proceeds of the sale the sums due and return the remainder to the shareholder. If the proceeds of the sale are not sufficient to meet these amounts, the company may collect the remainder of all the shareholder's funds.
3. Enforcement of the rights related to the shares that have not been paid for their value shall be suspended upon the expiration of the date specified for them until they are sold or due from them are paid in accordance with the provisions of Paragraph (1) of this Article, and they include the right to obtain a share of the net profits to be distributed and the right to attend the assemblies and vote on their decisions. However, the shareholder who fails to pay until the day of the sale may pay the value due in addition to the expenses incurred by the company in this regard and, in this case, the shareholder has the right to request obtaining the profits that are decided to be distributed

#### **Article Eleven: Issuance of shares**

1. The shares shall be nominal and may not be issued for less than their nominal value. Yet, they may be issued for a higher value. In the latter case, the difference in value shall be added in a separate item within the shareholders' rights. They may not be distributed as dividends to shareholders, and the share is indivisible against the company. If the share is owned by several persons, they must choose one of them to act on their behalf in the use of the rights related to it, and these persons shall be jointly liable for the obligations arising from the ownership of the share.
2. The company may divide its shares into shares of a lower nominal value, or merge them so that they present shares of a higher nominal value, in accordance with the stipulated controls in the Executive Regulations of the Companies Law for Listed Joint Stock Companies.

#### **Article Twelve: Stock Trading**

1. The company's shares are traded in the financial market in accordance with the provisions of the Capital Market Law and its implementing regulations.
2. The Authority may set restrictions related to the trading of shares in joint stock companies that wish to list their shares in the financial market.

#### **Article Thirteen: Register of Shareholders**

Shares are registered to shareholders and traded in accordance with the provisions of the Financial Market Law.

#### **Article Fourteen: Increasing the capital**

1. The Extraordinary General Assembly may decide to increase the company's capital, provided that the capital has been paid in full. Yet, it is not required for the capital to be paid in full if the unpaid part of the capital belongs to shares issued in exchange for converting debt instruments or financing instruments into shares and the period specified for converting them into shares has not yet expired.
2. The extraordinary general assembly may, in all cases, allocate the shares issued upon capital increase or part thereof to the employees of the company and all or some of its subsidiaries. Shareholders may not exercise the right of priority when the company issues shares allocated to employees. The competent authority may establish controls and procedures for allocating shares to employees in the company, its subsidiaries, or some of them, or any of that.
3. In all cases, the nominal value of the increased shares must be equal to the nominal value of the original shares of the same type or category.
4. Shareholder who own a share at the time of issuing the decision of the Extraordinary General Assembly approving the increase of the capital have priority in subscribing to the new shares that are issued in exchange of cash shares. They are notified of their priority (if any) by a registered letter to the address in the shareholders' register, or through means of modern technology. They are also notified of the decision to increase the capital, the conditions of subscription, its method, and its start and end dates, taking into consideration the type and category of the share owned.
5. The Extraordinary General Assembly has the right to suspend the priority right of shareholders to subscribe to the capital increase in exchange of cash shares, or to give priority to non-shareholders in cases it deems appropriate for the interest of the company.
6. The shareholder has the right to sell or waive the priority right during the period from the time of issuance of the General Assembly's decision approving the capital increase until the last day to subscribe for new shares related to these rights, in accordance with the controls set by the competent authority.
7. The new shares shall be distributed among the priority rights holders who requested subscription in proportion to their priority rights out of the total of these rights resulting from the capital increase, provided that what they get does not exceed what they requested of the new shares and taking into account the type and class of the share they own. The remainder of the shares shall be distributed to other priority rights holders who requested more than their share in proportion to what they have of priority rights out of the total of these rights resulting from the capital increase, provided that what they get does not exceed what they requested of the new shares. The remaining shares are offered to others, unless the Extraordinary General Assembly decides or the financial market system stipulates otherwise.

#### Article Fifteen: Capital Reduction

1. The Extraordinary General Assembly may decide to reduce the capital if it exceeds the company's need or if the company incurs losses. Only in the latter case, it is permissible to reduce the capital to less than the limit stipulated in Article (59) fifty-ninth of the Companies Law. The decision to reduce the capital is not issued until after reading a statement in the General Assembly prepared by the Board of Directors on the reasons for the reduction, the company's obligations, and the effect of the reduction in fulfilling them. Attached to this statement is a report from the company's auditor.
2. If the capital reduction is a result of excess to the company's need, the creditors must be invited to express their objections - if any - to the reduction, at least (45) forty-five days prior to the date set for the Extraordinary General Assembly meeting to take a decision on the reduction, provided that the invitation shall be accompanied by a statement showing the amount of the capital before and after the reduction, the date of the meeting and the effective date of the reduction. If any of the creditors notifies the company of his/her objection to the reduction on the specified date, the company is obliged to pay the debt if it is due, or provide sufficient guarantees to pay it off if it is deferred. Creditors who had informed the company of their objections to the reduction and had not been paid if it is due, or has not been provided with sufficient guarantees to pay it if it is deferred, may apply to the competent judicial authority before the date specified for the Extraordinary General Assembly to take the reduction decision, and the competent judicial authority in this case has to order the payment of the debt, to provide sufficient guarantee, or to postpone the meeting of the Extraordinary General Assembly, as the case may be.
3. The reduction shall not be invoked by creditors who submitted request on the date stipulated in Paragraph (2) of this Article unless they have settled what became due of the debt or obtained sufficient guarantees to settle what has not been due from them.
4. Equality must be taken into account among the shareholders who hold shares of the same type and category when reducing the capital.
5. If the capital reduction is by purchasing a number of the company's shares in order to cancel them, the shareholders must be invited to offer their shares for sale, by informing them of the company's desire to buy shares by announcing the invitation through means of modern technology. If the number of shares offered for sale exceeds the number of shares the company intends to buy, the selling orders must be reduced by the percentage of this increase, and the purchase price of the shares is estimated according to the financial market system.

#### Article Sixteen: Buying, Selling and Mortgaging the Company's Shares (Treasury Shares)

1. The company may buy and sell its ordinary or preferred shares or refundable (treasury shares) in accordance with the Companies Law and the executive regulations issued pursuant thereto by the Capital Market Authority, based on the approval of the Extraordinary General Assembly and the Board of Directors. If the purpose of the company's purchase of its shares is to allocate them to the company's employees within a program of employees' shares, the Extraordinary General Assembly may authorize the Board of Directors to determine the terms of this program, including the allotment price for each share offered to the employees, if it is for a financial return.
2. The company is also entitled to mortgage its ordinary or preferred shares as security for a debt in accordance with the Companies Law and the executive regulations issued pursuant thereto by the Capital Market Authority, based on the approval of the Ordinary General Assembly and the Board of Directors.

### Chapter Three Board of Directors

#### Article Seventeen: Company Management

The company is managed by a board of directors consisting of (7) seven members, and it is required that they be persons of natural capacity, elected by the ordinary general assembly of shareholders for a period that does not exceeding (4) four years, and the members of the board of directors may be re-elected for other sessions in accordance with the rules and regulations determined by the competent authorities.

<u>1</u>	Abdul Aziz bin Rashid Abdul Rahman Al Rashed	Chairman of the Board
<u>2</u>	Naif bin Saleh Abdul Aziz Al Rajhi	Vice Chairman of the Board
<u>3</u>	Al-Waleed bin Abdul Razaq Saleh Al-Dereyaan	Board Member
<u>4</u>	Abdullah bin Saghaier Muhammad Al-Husseini	Board Member
<u>5</u>	Abdul Malik bin Abdul Rahman bin Abdullah Al Sheikh	Board Member
<u>6</u>	Muhammad bin Hamad Hassan Muhammad Al Quraishah	Board Member
<u>7</u>	Abdul Karim bin Hamad Abdul Karim Al Nujaidi	Board Member



**Article Eighteen: Termination of membership of the Council or retirement of its members**

1. Board membership expires at the end of its term or at the end of the member's validity in accordance with any system or instructions in force in the Kingdom. The General Assembly may (upon recommendations from the Board of Directors) terminate the membership of any member who fails to attend (3) three consecutive meetings or (5) five separate meetings during the term of his membership without a legitimate excuse accepted by the Board of Directors.
2. The Ordinary General Assembly may dismiss all or some of the members of the Board of Directors. In this case, the Ordinary General Assembly must elect a new Board of Directors or someone to replace the dismissed member(s) (as the case may be) in accordance with the provisions of the Companies Law.
3. The Board of Directors shall, before the end of its term, call the Ordinary General Assembly to convene to elect a Board of Directors for a new term. If the election cannot be held and the term of the current board term has expired, its members shall continue to perform their duties until the election of a Board of Directors for a new term, provided that the period of continuation of the members of the board whose term has ended does not exceed (90) ninety days from the date of the end of the term of the board. The Board of Directors must take the necessary measures to elect a board of directors before the expiry of the continuity period specified in this paragraph.
4. If the Chairman and members of the Board of Directors retire, they must invite the Ordinary General Assembly to convene to elect a new Board of Directors, and the retirement does not apply until the election of the new Board, provided that the period of continuity of the retired Board does not exceed (120) one hundred and twenty days from the date of retirement. The Board of Directors shall take the necessary measures to elect a new Board of Directors before the expiry of the continuity period specified in this paragraph.
5. A member of the Board of Directors may retire from the membership of the Board by sending a written notification to the Chairman of the Board. If the Chairman of the Board resigns, the the remaining members of the Board and the Secretary of the Board must be notified. Resignation is effective - in both cases - from the date specified in the notification.

**Article Nineteen: The vacant position in the Council**

If the position of a member of the Board of Directors becomes vacant due to a death or retirement, and vacancy does not result in a breach of the conditions necessary for the validity of the meeting of the Board due to a decrease in number of its members below the minimum stipulated in the Companies Law, the Board may appoint - temporarily - in the vacant position a person who has the experience and sufficiency, provided to inform the Commercial Registry and the Capital Market Authority within (15) fifteen days from the date of appointment, and to present the appointment to the Ordinary General Assembly on its first meeting, and the appointed member completes the term of his predecessor. If the necessary conditions for the validity of the meeting of the Board of Directors are not met because the number of its members is less than the minimum stipulated in the Companies Law, the rest of the members must invite the Ordinary General Assembly to convene within (60) sixty days to elect the necessary number of members.

**Article Twenty: Powers of the Council**

1. Subject to the competencies appointed to the General Assembly, the Board of Directors shall have the extended powers and authorities necessary to manage the company, draw up its policy, determine its investments, supervise its business, funds and all other transactions, and manage its affairs inside and outside the Kingdom of Saudi Arabia, including taking decisions, approving, and accepting contracts, agreements, instruments and documents, and perform all other actions necessary to achieve the objectives of the company.
2. For the purpose of carrying out its duties, the Board may exercise all powers and carry out all actions and actions that the company may practice in accordance with its Articles of Association, provided that these actions are not within the jurisdiction of the General Assemblies of shareholders, and in accordance with the Company's Articles of Association, the Companies Law and its bylaws, and the regulations and instructions of the relevant regulatory authorities in force .
3. The Board of Directors may, for example, but not be limited to, approve contracts, tenders, auctions, establish companies in which the company participates, with all their amendments and appendices, approve the issuance of guarantees and guarantees to banks, funds, and government financing institutions, approve all banking transactions, and approve the sale, purchase, mortgage, and investment of the company's assets, property and assets, as well as entry and the purchase and sale of real estate contributions and their shares, provided that the Board determines in its decision the reasons and justifications for that, and that the price is present except in cases that the Board estimates and with sufficient guarantees, and that the action does not result in stopping some of the company's activities or burdening it with other obligations due to the conditions of sale or mortgage.
4. The Board of Directors may approve requests for government loans, government and private financing funds and institutions, as well as bank and commercial loans, financial houses and credit companies, and to approve contracts, agreements, guarantees, warranty, pledges, and mortgages related to them, regardless of their value or duration, provided that their deadlines do not exceed the end of the company's term. Taking into account that in its decision, the Board of Directors determines the aspects of



using the loan and how to repay it, and takes into account the conditions of the loan, guarantees, warranty, and pledges provided to it not to harm the company or its shareholders, or the general guarantees of creditors, and it also has the right to request exemption from loans.

5. The Board of Directors may approve providing financial support to any of the companies in which the Company participates, as well as the subsidiaries.
6. It is required that the Board of Directors obtain the approval of the General Assembly when selling assets of the company which value exceeds (50%) fifty percent of the value of its total assets, whether the sale is through one transaction or several transactions. When the selling transaction exceeds (50%) fifty percent of the assets value, the transaction requires the approval of the General Assembly, and this percentage is calculated from the date of the first transaction that took place during the (12) preceding twelve months.
7. The Board of Directors may authorize or delegate on its behalf one or more of its members, or third parties to exercise all or some of the powers entitled to it, or to take a specific action, or to perform a specific action or actions, and the Board has the right to revoke the delegation or authorization in part or in whole.
8. The Board of Directors may form any committee or committees that may assist it in carrying out its work, or the regulations require its formation in the company, provided that the Board's decision to form any of its affiliated committees includes a definition of the committee's mission, the duration of its work, the powers granted to it, and how the Board monitors it.

#### **Article Twenty One: Board Members Remuneration**

1. The Board of Directors must, in determining and disbursing the remuneration received by each of its members, take into account the relevant provisions contained in the Companies Law and its Implementing Regulations and the Corporate Governance Regulations issued by the Capital Market Authority.
2. The Nominations and Remuneration Committee issues a recommendation on an annual basis about the amount of annual remuneration to which the members of the Board of Directors and its affiliated committees are entitled for, so that the remuneration consists of a certain amount in addition to allowance for attending the sessions.
3. A member of the Board of Directors may obtain remuneration for any additional executive, technical, administrative, or advisory work or positions - under a professional license - assigned to him/her in the company, in addition to the remuneration that he/she may obtain in his/her capacity as a member of the Board of Directors and in committees formed by the Board of Directors, in accordance with the companies' bylaws and the company's articles of association.
4. The remuneration of the members of the Board of Directors may vary in amount to reflect the extent of the member's experience, competencies, and tasks entrusted to him/her, his/her independence, the number of sessions attended, and other considerations.
5. The remuneration of the independent members of the Board of Directors shall not be a percentage of the profits achieved by the company or be based directly or indirectly on the profitability of the company.
6. Members of the Board of Directors may not vote on the remuneration of the members of the Board of Directors at the meeting of the General Assembly.
7. The report of the Board of Directors to the Ordinary General Assembly at its annual meeting shall include a comprehensive statement of all that each member of the Board of Directors has received or is entitled to receive during the fiscal year in terms of remunerations, attendance allowances, expenses allowances and other benefits. It shall also include a statement of what the members of the Council have received in their capacity as workers or administrators, or what they have received in exchange for technical, administrative, or consultancy work. It shall also include a statement of the number of Council sessions and the number of sessions attended by each member.

#### **Article Twenty-Two: Powers of the Chairman, Vice Chairman, Managing Director and Secretary:**

In its first meeting, the Board of Directors shall appoint a Chairman and a Vice-Chairman from among its members. It may appoint a Managing Director or Chief Executive Officer from among its members. It is not permissible to combine the position of Chairman of the Board of Directors with any executive position in the company.

##### **First: Powers of the Chairman of the Board of Directors:**

- Calling for and managing the meetings of the Board of Directors and the General Assembly. His vote shall be preponderant in the event of equal votes in the Board of Directors.
- Representing the company in official and media forums and in its relations with others, before the judiciary, with all governmental and private agencies, dispute settlement committees of various types, judicial bodies, arbitration bodies, all other judicial

committees, all governmental, private and public agencies and bodies, companies, banks, individuals, courts of all degrees and categories, the Board of Grievances and notaries, and notaries inside and outside the Kingdom of Saudi Arabia.

- All legal, administrative, commercial, and civil authorities and powers related to the company, including, but not limited to, the following:

**1. Claims before the courts:** Claiming, filing lawsuits, attending sessions in all lawsuits before all courts, pleading and advocating, hearing lawsuits and responding to them, presenting evidence and documents, litigation and clearance, acknowledgment, denial, conciliation, waiver, acquittal, requesting an oath, refusing it and abstaining from it, bringing witnesses and evidence and challenging them, answering, wounding and amending, appealing for forgery, requesting seizure and execution, requesting arbitration, appointing experts and arbitrators, challenging the reports of experts and arbitrators, returning and replacing them, demanding implementation of judgments, accepting and denying judgments, objecting to judgments and requesting appeal, requesting reconsideration, requesting rehabilitation, requesting pre-emption Receipt of amounts by check in the name of the company and receipt of what happens from the execution, receipt of judgment instruments, request for the judge to step aside, request for entry and overlap, and representation of the company before all courts, judicial bodies, labor offices, workers, higher and primary committees, commercial papers committees, all other judicial committees, arbitration and civil rights commissions, and before Sharia courts, at administrative courts (Board of Grievances), at medical forensic committees, at labor committees, at financial dispute settlement committees and banking dispute settlement committees, at commercial paper dispute resolution offices and commercial dispute settlement committees, at customs committees and commercial fraud committees, at Committees for settling insurance disputes and violations, with the Supervision and Investigation Authority, with the Public Investigation and Prosecution Authority, with the Supreme Court, the Supreme Judicial Council, the Ministry of Justice, with the Capital Market Authority, and all primary and higher judicial committees and bodies or those in the same category, inside and outside the Kingdom of Saudi Arabia.

**2. Companies:** The right to establish companies and open branches of the company inside and outside the Kingdom of Saudi Arabia and the right to sign all types of contracts and conclude deals of all kinds, documents and papers, including but not limited to the incorporation contracts of companies in which the company is a partner and its subsidiaries and annexes and all the decisions of the partners in those companies, including decisions related to raising and decreasing the capital, assigning and buying shares, amending the company's objectives, amending articles of incorporation contracts and amendment annexes, signing partners' decisions, entry and exit of partners, entering into existing companies and buying shares in them inside and outside the Kingdom, signing agreements, registering the company, registering and assigning agencies and trademarks, and attending general assemblies. Requesting its contract, signing its decisions, opening files for the company, signing articles of incorporation and amendment appendices with notaries, issuing licenses and renewing them for the company, reviewing all companies and bodies, documenting contracts and signing with the Companies Department at the Ministry of Commerce and Industry and the notary public, making amendments, changes, additions and deletions, participating in and renewing chambers of commerce, approving and canceling signatures with Chamber of Commerce, reserving the trade name, assigning the trade name, extracting and renewing commercial records, receiving, deleting and amending them, changing the names of the partners, signing agreements and deeds before notaries and official authorities, agreements on guarantees and guarantees, waiving priority in paying the company's debts, issuing legal agencies on behalf of the company, selling and buying real estate and lands And shares in companies and other properties, whether movable or immovable, entering into tenders and auctions, awarding bids, receiving and paying, receiving rights with others, emptying and accepting it, receiving the price in any way he sees, receiving, delivering, renting, leasing, receiving, paying, collecting the rights of the company, performing its obligations, and signing agreements with all The private and government sectors for the benefit of the company inside and outside the Kingdom.

The right to appoint managers, lawyers, auditors, certified accountants, employees and workers, request the issuance of visas to recruit manpower from outside the Kingdom, contract with them, determine their salaries, pay bonuses and incentives, dismiss them, issue and renew residence permits, transfer and waive guarantees, modify professions, update data, and terminate all related transactions inside and outside the Kingdom.

Reviewing all governmental, non-governmental and private agencies and before others in every matter related to the interests of the company, especially with regard to chambers of commerce and industry, bodies, companies and institutions of all kinds, banks, financing companies and financial institutions, and reviewing all ministries and governmental and non-governmental bodies inside and outside the Kingdom, for example but not limited to reviewing The General Authority for Investment and signing before it, reviewing the Saudi Standards, Metrology and Quality Authority, reviewing the Saudi Arabian Monetary Agency, reviewing the Capital Market Authority, reviewing the Ministry of Commerce, reviewing the General Organization for Social Insurance and its branches and affiliated departments and sections, reviewing the Zakat and Income Authority, reviewing the Ministry of Education, Review of the General Organization for Vocational and Technical Training, review of the Ministry of Finance, review of the Ministry of Interior with all its sectors and branches (civil defence, police departments, recruitment department, passports and traffic) review of the Ministry of Foreign Affairs and review of embassies, review of the Saudi Electricity Company, the National Water

Company and telecommunications companies and the establishment of fixed or mobile phones in the name of The company and others, reviewing all governmental and non-governmental companies, bodies and institutions inside and outside the Kingdom, as well as representing the company before all official and unofficial departments, reviewing free zones in the Arab Gulf countries, reviewing all relevant authorities, completing all necessary procedures and signing what is required inside and outside the Kingdom.

3. **Real estate, lands, and the company's property of all kinds:** selling and transferring to the buyer, receiving the price by check in the name of the company, buying, accepting assignment, paying the price, accepting a gift, transferring, mortgaging, discharging mortgages, merging deeds, partitioning, sorting, receiving deeds, updating them, amending them, entering them into the comprehensive system, amending the owner's name and civil registry number, and amending borders, lengths, and area Numbers of plots, plans, deeds and their dates, names of neighborhoods and leases, signing and renewing lease contracts, receiving rent by check in the name of the company, canceling and rescinding lease contracts, concluding all contracts and transactions within the purpose of buying and renting land, whether long or short term, places, real estate, stocks, equipment, building lands, annexing excess areas adjacent to the land, and entering into contributions Real estate, buying and selling shares of real estate contributions, reviewing the trust and municipalities with regard to selling, buying, emptying, paying fees, receiving deeds and other transactions, disposing of the assets and property of the company, mortgaging fixed and movable assets to guarantee the company's loans and subsidiaries, provided that the reasons and justifications for the sale are specified in the sale decision, and that the sale is for a price. Likewise, and that the sale be present except in cases of necessity and with sufficient guarantees, and that such disposal does not result in stopping some of the company's activities or burdening it with other obligations, all of this inside and outside the Kingdom of Saudi Arabia.
4. **Banks, banks and investment companies:** reviewing all banks, banks, investment companies and institutions inside and outside the Kingdom of Saudi Arabia, opening, closing and activating accounts with banks in the name of the company and credits and extending them and withdrawing, depositing and transferring with banks in foreign or local currency at home and abroad and borrowing from them and issuing bank guarantees and signing all Papers, documents, checks and all banking transactions, investing the company's funds and operating them in the local and international markets inside and outside the Kingdom of Saudi Arabia, creating commercial papers, signing, endorsing and receiving them, and conducting all financing transactions necessary for the company's activity, including requesting facilities and loans of all kinds from banks, financing companies and financial institutions in any amounts and signing them. Signing guarantees in the name of the company for others, signing contracts and papers for facilities and loans, signing agreements on murabaha, leasing, tawarruq, istisna' and investment contracts, opening current accounts in the name of the company with banks, accepting, endorsing and withdrawing bills of exchange, bonds and cheques, authorizing the bank and investment companies to sell or buy stocks, bonds, foreign money or papers. Finance of any kind and whatever its value and signature approval, issuing and receiving ATM cards, receiving and entering secret numbers, issuing and receiving credit cards and receiving their secret numbers, issuing account statements, issuing, receiving and editing check books, issuing and receiving certified checks, issuing guarantees and bank guarantees and all kinds Securities of any kind and whatever their value and cancellation, Receipt of transfers and their disbursement, Subscription to safety deposit boxes, Renewal of subscription to safety deposit boxes, Redemption of units of safety deposit boxes, Cashing checks, Objecting to checks, Receiving returned checks, Updating data, Receiving certificates of contributions, Receiving value Shares, receiving profits, receiving surpluses, underwriting, buying shares, selling shares, mortgaging shares, investing in shares, receiving the price and receiving profits, transferring shares from the portfolio, opening and closing investment portfolios and settling them, issuing guarantees to banks, funds, government and private institutions, and signing all papers and bonds Orders, checks, all commercial papers, documents and all banking transactions, opening investment accounts with financial and investment companies, signing for subscription, withdrawal and transfer from all investment funds, including money market funds and special funds, trading in securities through main or alternative distribution channels and signing On the procedures related to giving orders to buy and sell shares, transferring them, mortgaging them, and releasing mortgages from them, signing agreements to manage the company's portfolios and signing all documents related to that, selling and buying bonds and sukuk and signing all documents related to that, as well as contracting loans with funds and financing institutions Contracting bank and commercial loans, accepting their terms, conditions, and prices, signing contracts, agreements, forms, pledges, mortgages, approving and presenting guarantees, guarantees, repayment schedules, receiving and disposing of loans, requesting loan forgiveness, rescheduling installments, requesting and signing bank credits, and receiving guarantees.
- The chairman of the council may delegate or delegate on his behalf (by a written decision) some of his powers to other members of the council or third parties to exercise all or some of the powers or to take a specific action or action or to perform a certain action or actions and he has the right to revoke the authorization or delegation in part or in whole. .
- The Chairman of the Board of Directors shall receive an additional remuneration for his presidency of the Board of Directors in addition to the remuneration prescribed for the members of the Board of Directors.

#### **Second: Powers of the Vice-Chairman of the Board of Directors:**

The Vice-Chairman of the Board of Directors shall replace the Chairman of the Board in his absence. The Chairman of the Board shall have the right to delegate or delegate all or some of his powers, or to take a specific action or act, or to perform a specific work or

acts. The Chairman of the Board has the right to revoke the authorization or delegation in part or in whole, and the Board shall determine his competencies and remuneration in addition to the remuneration prescribed for the members of the Board of Directors.

**Third: Powers of the Managing Director / Chief Executive Officer:**

The Chairman of the board has the right to delegate or delegate all or some of his powers, or to take a specific procedure or behavior, or to perform a certain action or actions. The Chairman of the board has the right to revoke the authorization or authorization in part or in whole, and the board determines his competencies and remuneration in addition to the remuneration prescribed for the members of the board of directors.

The Board of Directors may also appoint a Chief Executive Officer from among its members or others, and the Board determines his powers and remuneration.

**Fourth: Powers of the Secretary of the Council:**

The Board of Directors shall appoint a secretary for the Board, to be chosen from among its members or from others, and the Board shall determine, by a decision, his powers and remuneration.

The term of the Chairman, his deputy, the managing director, and the secretary, a member of the board of directors, does not exceed the term of membership of each of them in the board, and the board of directors may relieve the chairman of the board, his deputy, the managing director, the chief executive officer, and the secretary, or any of them, from those positions, and it does not entail Accordingly, they are exempted from their membership in the Board of Directors.

**Article Twenty Three: Board Meetings**

1. The Board of Directors of the company shall meet at least (4) four times a year at the invitation of its Chairman. The invitation shall be in writing and may be delivered by hand or sent by regular mail, electronic mail or other modern means of communication accompanied by the agenda. The Chairman of the Board shall invite the Board to a meeting whenever he is requested to do so in writing by any member of the Council to discuss one or more issues.
2. The Board of Directors shall determine the location of its meetings, which may be held using means of modern technology.
3. The Board of Directors may issue its decisions on urgent matters by presenting them to all members by circulation and signature, unless one of the members requests - in writing - a meeting of the Board to deliberate them. These decisions are issued with the approval of the majority of votes of its members.

**Article Twenty-Four: Quorum of the Board Meeting**

1. A meeting of the Board of Directors shall not be valid unless it is attended by at least half of the members (original or on behalf).
2. The decisions of the Board of Directors shall be issued by the majority of the votes of the members present (in person or on behalf) at least, and when the votes are equal, the side with which the Chairman of the meeting voted will prevail, and the decision of the Board of Directors shall apply from the date of its issuance, unless it is stipulated in it that it applies at another time or when conditions are met. Specific.
3. A member of the Board of Directors may deputize any of the members to attend the meetings of the Board and sign on his behalf, provided that the deputy member shall not have more than one deputation.

**Article Twenty-Five: Council deliberations**

1. The deliberations and decisions of the Board of Directors are recorded in minutes prepared by the secretary and signed by the Chairman of the meeting, the attending members of the Board of Directors, and the secretary.
2. Minutes shall be recorded in a special register signed by the Chairman of the Board of Directors and the Secretary.
3. It is permissible to use the means of modern technology to sign, record deliberations and decisions, and record records.

**Chapter four**  
**Shareholders' associations**

**Article Twenty-Six: Meeting of the General Assembly of Shareholders**

1. The meeting of the General Assembly of shareholders shall be chaired by the Chairman of the Board of Directors or his deputy in his absence, or whomever the Board of Directors delegates from among its members in their absence. In the event that this is not

possible, the General Assembly shall be chaired by whomever the shareholders delegate from among the members of the Board or from others by voting.

2. Each shareholder has the right to attend the meeting of the General Assembly, and may delegate another person other than the members of the Board of Directors to do so.
3. It is permissible to hold a meeting of the General Assembly and the shareholder to participate in the deliberations and vote on decisions by means of modern technology.

**Article Twenty-Seven: The Ordinary General Assembly Meeting:**

1. The Annual Ordinary General Assembly shall convene at least once during the (6) six months following the end of the company's fiscal year. Other Ordinary General Assemblies may be called whenever the need arises.
2. The agenda of the Ordinary General Assembly at its annual meeting shall include the following items
  - a. Viewing and discussing the report of the Board of Directors for the past fiscal year.
  - B. Viewing and discussing the financial statements for the past fiscal year.
  - a. Discussing the auditor's report for the past fiscal year - if any - and take a decision on it.
  - Deciding on the proposals of the Board of Directors regarding the distribution of profits, if any.
3. The requirement to convene the Annual Ordinary General Assembly is met by convening an Extraordinary General Assembly within the (6) six months following the end of the company's fiscal year, with its agenda including the items mentioned in Paragraph (2) of this Article.

**Article Twenty-Eight: Invitation to the Assembly Meeting**

The invitation to convene the assembly shall be sent at least (21) twenty-one days prior to the date specified for it in accordance with the controls specified by the regulations, taking into account the following:

- a. Inform the shareholders by registered letters at their addresses in the shareholder register, or announce the invitation through means of modern technology.
- B. Send a copy of the invitation and the agenda to the Commercial Register, and a copy to the Capital Market Authority on the date of announcing the invitation.

**Article Twenty-Nine: Functions of the Ordinary General Assembly**

With the exception of what is concerned with the Extraordinary General Assembly, the Ordinary General Assembly is concerned with all matters related to the company, and in particular the following:

1. Elocating members of the Board of Directors, and their dismissal.
2. Appointing one or more auditors for the company, as required by the Law, determining his fees, reappointing him, and dismissing him.
3. Viewing and discussing the Board of Directors' report.
4. Viewing and discussing the company's financial statements.
5. Discuss the auditor's report - if any - and take a decision on it.
6. Deciding on the proposals of the Board of Directors regarding the method of distributing profits.
7. Creating the company's reserves and determining their uses.

**Article Thirty: Powers of the Extraordinary General Assembly**

The Extraordinary General Assembly shall be concerned with the following- :

1. Amendment of the company's bylaws, with the exception of matters that are prohibited from being amended by law.
2. Deciding whether to continue or dissolve the company.
3. Approving the company's purchase of its shares.

The Extraordinary General Assembly may issue decisions within the terms of reference of the Ordinary General Assembly, provided that such decisions are issued in accordance with the conditions for issuing the decisions of the Ordinary General Assembly specified by the majority of voting rights represented in the meeting.

**Article Thirty One: Invitation to Associations**

1. The General and Private Assemblies shall convene at the invitation of the Board of Directors, and the Board of Directors shall invite the Ordinary General Assembly to convene within (30) thirty days from the date of the request of the auditor or one or more shareholders representing (10) ten percent of the shares of the company that have voting rights on at least, and the



auditor may invite the Ordinary General Assembly to convene if the Board does not extend the invitation within (30) thirty days from the date of the auditor's request.

2. The request referred to in Paragraph (1) of this Article must indicate the items that the shareholders are required to vote on.
3. The invitation to convene the assembly shall be at least (21) twenty-one days prior to the date specified for it in accordance with the provisions of the system, and the invitation shall be published on the website of the Market and the website of the company through means of modern technology.

**Article Thirty-Two: Record of attendance of assemblies**

Shareholders who wish to attend the general or private assembly register their names at the company's main center before the time set for the assembly, or through means of modern technology.

**Article Thirty-Three: Quorum for the Ordinary General Assembly Meeting**

1. The convening of the Ordinary General Assembly meeting shall not be valid unless it is attended by shareholders representing at least (a quarter) of the shares of the company that have voting rights.
2. If the necessary quorum for holding the Ordinary General Assembly meeting in accordance with Paragraph (1) of this Article is not available, an invitation shall be sent to a second meeting to be held under the same conditions stipulated in Article (91) of the Companies Law within (30) days following the date specified for the meeting. However, the second meeting may be held an hour after the expiration of the period specified for the first meeting, and the invitation to hold the first meeting must include evidence of the possibility of holding that meeting. In all cases, the second meeting is valid regardless of the number of shares that have voting rights represented in it.

**Article Thirty-Four: Quorum for the Extraordinary General Assembly Meeting**

1. The meeting of the Extraordinary General Assembly shall not be valid unless it is attended by shareholders representing at least half of the shares of the company that have voting rights.
2. If the required quorum for the Extraordinary General Assembly meeting in accordance with Paragraph (1) of this Article is not available, an invitation is sent to a second meeting to be held under the same conditions stipulated in Article (91) of the Companies Law. However, the second meeting may be held after an hour from the end of the period specified for holding the first meeting, provided that the invitation to hold the first meeting includes evidence of the possibility of holding that meeting. In all cases, the second meeting is valid if attended by shareholders representing at least a quarter of the shares of the company that have voting rights.
3. If the necessary quorum for the second meeting is not met, an invitation is sent to a third meeting to be held under the same conditions stipulated in Article (91) of the Companies Law, and the third meeting is valid regardless of the number of shares that have voting rights represented in it.

**Article Thirty Five: Voting in Assemblies**

1. Each shareholder has a vote for each share in the general assemblies, and the cumulative vote must be used in electing the members of the Board of Directors, so that the right to vote for a share may not be used more than once.
2. The members of the Board of Directors may not participate in voting on the decisions of the Assembly that are related to business and contracts, in which they have a direct or indirect interest, or that involve a conflict of interest.
3. The pledgee may not attend the meetings of the General and Special Assembly of Shareholders or vote in them.
4. Shareholders may participate in the meetings of the general and private assemblies, discuss them, view their agendas, and vote through modern technology, in accordance with the executive regulations issued to implement the Companies Law for listed joint-stock companies.

**Article Thirty-Six: Decisions of the associations**

1. The decisions of the Ordinary General Assembly are issued with the approval of the majority of the voting rights represented in the meeting.
2. The decisions of the Extraordinary General Assembly shall be issued by a majority (two-thirds) of the voting rights represented in the meeting, unless it is a decision related to increasing or decreasing the capital, extending the term of the company, or dissolving it before the expiration of the period specified in the articles of association, or its merger with another company, or its division into two companies or more. It will not be valid unless it is issued with the approval of (three quarters) of the voting rights represented in the meeting.

#### **Article Thirty Seven: Discussion in Assemblies**

Each shareholder has the right to discuss the topics on the agenda of the General Assembly and direct questions in this regard to the members of the Board of Directors and the auditor. The Board of Directors or the auditor shall answer the questions of the shareholders to the extent that does not expose the interest of the company to harm. If one of the shareholders deems that the answer to his question is not sufficient, he shall appeal to the General Assembly, and its decision in this regard shall be enforceable.

#### **Article Thirty Eight: Presiding over associations and preparing minutes**

1. The meeting of the General Assembly of shareholders shall be chaired by the Chairman of the Board of Directors or his deputy in his absence, or whomever the Board of Directors delegates from among its members in their absence. In the event that this is not possible, the General Assembly is Chaired by whomever the shareholders delegate from among the board members or others by voting.
2. Minutes of the meeting of the assembly shall be drawn up including the number of shareholders present in person or by proxy, the number of shares held by them in person or by proxy, the number of votes prescribed for them, the decisions taken, the number of votes approved or opposed, and an adequate summary of the discussions that took place in the meeting. The minutes shall be recorded on a regular basis, after each meeting, in a special register signed by the president of the association, its secretary, and the vote collectors.

### **Chapter Five** **Auditor**

#### **Article Thirty-Nine: Appointment of the Auditor**

1. The company shall have an auditor (or more) from among the licensed auditors in the Kingdom who shall be appointed by the General Assembly and determine his fees, term and scope of work, and he may be reappointed, provided that the total term of his work does not exceed (7) seven consecutive or separate fiscal years, and no reappointment is made. The auditor who exhausted the period referred to before the lapse of three fiscal years from the date of the end of the last fiscal year in which he worked as an auditor for the company.
2. According to a decision taken by the General Assembly, the auditor may be dismissed, and the Chairman of the Board of Directors must inform the competent authority of the dismissal decision and its reasons, within a period not exceeding (5) five days from the date of issuance of the decision.
3. The auditor may retire from his mission by virtue of a written report that he submits to the company, and his mission ends as of the date of its submission or at a later date specified in the notification, without prejudice to the company's right to compensation for the damage incurred by it, if required. The retired auditor shall submit to the company and the competent authority - when submitting the report - a statement of the reasons for his retirement, and the board of directors shall call the General Assembly to convene to consider the reasons for retirement, appoint another auditor, and determine his fees, work duration, and scope.

#### **Article 40: The powers of the auditor**

The auditor has the right - at any time - to view the company's documents, accounting records and supporting documents, and he may request data and clarifications that he deems necessary to obtain to verify the company's assets and liabilities and other things that fall within the scope of his work. The Board of Directors shall enable him to perform his duty, and if the auditor encounters difficulty in this regard, he shall prove this in a report submitted to the Board of Directors. If the Board of Directors does not facilitate the work of the auditor, it must ask them to convene the General Assembly to consider the matter. The auditor may issue this invitation if the Board of Directors does not send it within (thirty) days from the date of the auditor's request.

### **Chapter Six** **Company accounts and distribution of profits**

#### **Article forty-one: the fiscal year**

The company's fiscal year starts from the first of January and ends at the end of December of each calendar year, provided that the first fiscal year starts from the date of the ministerial decision announcing the transformation of the company until the end of December of the following year.



**Article forty-two: financial documents**

1. At the end of each fiscal year of the company, the Board of Directors must prepare the company's financial statements and a report on its activities and financial position for the past fiscal year. This report shall include the proposed method for distributing profits. The Board shall place these documents at the disposal of the auditor, if any, at least (45) forty-five days prior to the date set for the annual Ordinary General Assembly meeting.
2. The company's board Chairman, CEO, and financial manager must sign the documents referred to in Paragraph (1) of this Article, copies of which shall be deposited at the company's head office at the disposal of the shareholders.
3. The Chairman of the Board of Directors shall provide the shareholders with the financial statements of the company and the report of the Board of Directors, after signing them, and the report of the auditor, unless they have been published in any of the means of modern technology twenty-one (21) days prior to the date set for the annual Ordinary General Assembly meeting. Least, he must also deposit these documents in accordance with what is determined by the executive regulations of the Companies Law for listed joint-stock companies,

**Article forty-three: Distribution of profits**

1. The General Assembly shall determine the percentage of net profits that must be distributed to shareholders after deducting reserves, if any.
2. The company may set aside a percentage of the net profits to form the company's statutory reserve, and it may stop this set aside when the aforementioned reserve reaches (30%) of the paid-up capital.
3. The Ordinary General Assembly, based on a proposal by the Board of Directors, may set aside a percentage of the net profits to form reserves, and allocate them for a specific purpose or purposes, provided that the use of these reserves is based on a proposal by the Board of Directors and in aspects that benefit the company or the shareholders.
4. The Ordinary General Assembly may decide to form other reserves to the extent that serves the interest of the company or ensures the distribution of fixed profits as much as possible to the shareholders. The aforementioned assembly may also deduct amounts from the net profits to achieve social purposes for the company's employees.
5. The company may distribute interim profits to its shareholders on a semi-annual or quarterly basis, after fulfilling the controls and requirements set by the competent authorities in this regard.
6. The Board of Directors must implement the decision of the General Assembly regarding the distribution of profits to registered shareholders within (15) fifteen working days from the date of maturity of these profits specified in the decision of the General Assembly, or in the decision of the Board of Directors to distribute interim profits.

**Article forty-four: Entitlement to profits**

The shareholder is entitled to his/her share of the profits in accordance with the decision of the General Assembly issued in this regard, and the decision indicates the date of entitlement and the date of distribution. The eligibility for dividends shall be for the shareholders registered in the shareholder registers at the end of the day specified for the entitlement.

**Article forty-five: Dividend distribution for preferred shares**

If the company fails to pay the specified percentage to the owners of preferred shares from the net profits of the company after deducting the reserves - if any - for a period of three consecutive years, then the special assembly of the owners of these shares - convened in accordance with the provisions of Article 89 of the Companies Law - may decide to attend the meetings of the General Assembly. The company and participate in voting until the company is able to pay all the profits allocated to the owners of these shares for those years. Each preferred share shall have one vote in the meeting of the General Assembly, and the holder of the preferred share shall have the right in this case to vote on all items of the agenda of the Ordinary General Assembly without exception.

**Article forty-six: the company's losses**

If the losses of the joint-stock company amounted to (half) of the issued capital, the Board of Directors must disclose that and its recommendations regarding those losses within (60) sixty days from the date of becoming aware of their reaching this amount, and call the Extraordinary General Assembly to convene within (180) One hundred and eighty days from the date of becoming aware of this, to consider the continuation of the company and take any of the necessary measures to deal with or resolve these losses.

## **Chapter Seven**

### **Disputes**

#### **Article forty-seven: Liability lawsuit**

1. The company may file a liability lawsuit against the members of the Board of Directors due to a violation of the provisions of the corporate law or its articles of association, or because of errors, negligence or omission made by them in the performance of their work, which results in damages to the company, and the General Assembly or the shareholders decide to file this lawsuit Appointing someone to act on behalf of the company in its operation. If the company is in the process of liquidation, the liquidator shall file the lawsuit. In the event that any of the liquidation procedures are initiated against the company in accordance with the bankruptcy law, the filing of this lawsuit by its representative shall be lawful.
2. Each shareholder or more representing (5%) five percent of the company's capital may file a liability claim for the company in the event that the company fails to file it, taking into account that the main objective of filing the claim is to achieve the interests of the company, and that the claim is based on valid basis, and the plaintiff must be in good faith, and a shareholder in the company at the time the lawsuit is filed.
3. In order to file the lawsuit referred to in paragraph (2) of this article, it is required to notify the members of its Board of Directors of the intention to file the lawsuit at least (14) fourteen days prior to the date of filing it.
4. A shareholder may file a personal lawsuit against the members of the Board of Directors if the mistake they made would cause him/her personal harm.

## **Chapter Eighth**

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

#### **Article forty-eight: Termination of the company**

The company is terminated by one of the reasons for termination mentioned in Article (two hundred and forty-third) of the Companies Law, and upon its termination, it enters the stage of liquidation in accordance with the provisions of Chapter Twelve of the Companies Law. **To the competent judicial authority to open any of the liquidation procedures under the bankruptcy law.**

## **Chapter Nine**

### **Final provisions**

#### **Article 49: Implementation of the Law**

1. The company is subject to the regulations in force in the Kingdom of Saudi Arabia.
2. Any provision that contradicts the provisions of the Companies Law in this Bylaw shall not be relied upon and the provisions of the Companies Law shall be applied against it. Anything not provided for in this Bylaw shall be subject to the Companies Law and its Implementing Regulations.

#### **Article Fifty: Publication of the Law**

This system shall be deposited and published in accordance with the provisions of the Companies Law and its implementing regulations.

#### **Article 51: Approval of the system**

The members of the General Assembly of the company approved the amendment of the Articles of Association and pledged to implement it and abide by its provisions.