

**Bylaws of**  
**Al Hassan Ghazi Ibrahim Shaker Company**  
**(Listed Joint Stock Company)**

**Index**

<b><u>Article No. (1):</u></b>	6
Incorporation:	6
<b><u>Article No. (2):</u></b>	6
Company's Head Office:	6
<b><u>Article No. (3):</u></b>	6
Company Purposes:	6
<b><u>Article No. (4):</u></b>	7
Participation and Ownership in Companies:	7
<b><u>Article No. (5):</u></b>	8
Term of the Company:	8
<b><u>Article No. (6):</u></b>	8
Capital:	8
<b><u>Article No. (7):</u></b>	8
Subscription to shares:	8
<b><u>Article No. (8):</u></b>	8
Issuance of shares, preferred shares, and redeemable shares, as well	8

as the splitting or merging of shares:

<b><u>Article No. (9):</u></b>	9
Trading of Shares:	9
<b><u>Article No. (10):</u></b>	10
Sale of Unrealized Shares:	10
<b><u>Article No. (11):</u></b>	11
Conversion of shares:	11
<b><u>Article No. (12):</u></b>	12
Modification of rights and obligations related to shares:	12
<b><u>Article No. (13):</u></b>	12
Purchase, sale, and pledge of the company's shares.	12
<b><u>Article No. (14):</u></b>	13
Capital Increase:	13
<b><u>Article No. (15):</u></b>	15
Capital Reduction:	15
<b><u>Article No. (16):</u></b>	16
Debt instruments and financing instruments:	16
<b><u>Article No. (17):</u></b>	17
Management of the Company:	17
<b><u>Article No. (18):</u></b>	17
Expiry or Termination of Board Membership:	17

<b><u>Article No. (19):</u></b>	18
Expiration of the Board of Directors' term, retirement of its members, or membership vacancy	18
<b><u>Article No. (20):</u></b>	20
Powers of the Company Board of Directors:	20
<b><u>Article No. (21):</u></b>	30
Remuneration of the Board Members:	30
<b><u>Article No. (22):</u></b>	31
Powers of the Chairman, Vice Chairman, CEO and Secretary of the Company:	31
<b><u>Article No. (23):</u></b>	42
Board Meetings:	42
<b><u>Article No. (24):</u></b>	43
Board Meeting Quorum and its Decisions:	43
<b><u>Article No. (25):</u></b>	44
Issuance of Board Decisions by Circulation:	44
<b><u>Article No. (26):</u></b>	44
Board Deliberations:	44
<b><u>Article No. (27):</u></b>	45
Committees emanating from the Board of Directors:	45
<b><u>Article No. (28):</u></b>	45

General Assembly Meetings for Shareholders:	45
<b><u>Article No. (29):</u></b>	46
Call of Assemblies:	46
<b><u>Article No. (30):</u></b>	46
Quorum of the Ordinary General Assembly Meeting:	46
<b><u>Article No. (31):</u></b>	47
<b>Quorum of the Extraordinary General Assembly Meeting:</b>	47
<b><u>Article No. (32):</u></b>	48
Voting in assemblies:	48
<b><u>Article No. (33):</u></b>	48
Resolutions of Assemblies:	48
<b><u>Article No. (34):</u></b>	49
<b>Discussion in the Assemblies:</b>	49
<b><u>Article No. (35):</u></b>	49
Assembly Minutes Preparation:	49
<b><u>Article No. (36):</u></b>	50
<b>Appointment, Removal, and Resignation of the Company's Auditors:</b>	50
<b><u>Article No. (37):</u></b>	51
Powers of the Auditor:	51
<b><u>Article No. (38):</u></b>	51
Fiscal year:	51

<b><u>Article No. (39):</u></b>	51
Financial Documents:	51
<b><u>Article No. (40):</u></b>	52
Formation of Reserves and Distribution of Dividends:	52
<b><u>Article No. (41):</u></b>	53
Profits Entitlement:	53
<b><u>Article No. (42):</u></b>	54
Liability Claims against the Company and the Shareholder.	54
<b><u>Article No. (43):</u></b>	55
Termination of the Company:	55
<b><u>Article No. (44):</u></b>	55
<b><u>Article No. (45):</u></b>	55
Final Provisions (Publication, Enforcement and Amendment):	55

**Article No. (1):**

**Incorporation:**

Pursuant to the provisions of the Companies Law issued by Royal Decree No. (M/132) dated 01/12/1443H, and its Executive Regulations issued by the decision of His Excellency the Minister of Commerce No. (284) dated 23/06/1444 H, and this Bylaws, a Saudi joint stock Company is incorporated according to the following:

**Article No. (2):**

**Company's Head Office:**

The Company's head office is located in Riyadh. It may establish branches, offices, and agencies inside or outside KSA by a decision issued by the company's Board of Directors.

**Article No. (3):**

**Company Purposes"**

The Company is incorporated for practicing and carrying out the following:

- 1- Installation, maintenance and repair of refrigeration and air conditioning systems **432240**.
- 2- Repair and maintenance of refrigeration and air purification equipment, including (refrigerators, freezers and air conditioners of any size) **331295**.
- 3- Wholesale of spare parts for air conditioning and refrigeration equipment **464922**.
- 4- Retail sale of spare parts for air conditioning and refrigeration equipment **477342**.
- 5- Production and distribution of chilled air equipment **353002**.
- 6- Installation, maintenance and repair of solar energy networks **432220**.
- 7- Installation, Laying, maintenance and repair of air conditioning pipes **432260**.

- 8- Manufacturing air conditioning units (split or central) using Freon **281931**.
- 9- Retail sale of spare parts for air conditioning and refrigeration equipment **477342**.
- 10- Wholesale of household electrical and electronic appliances **464921**.
- 11- Retail sale of household electrical and electronic appliances **475921**.
- 12- Repair of household appliances, home equipment and garden equipment **952200**.
- 13- Energy Efficiency Project Management Activities **711081**.
- 14- Activities related to providing energy design review services **711083**.
- 15- Activities related to providing engineering design services for energy efficiency standards **711084**.
- 16- Activities of head offices for local companies **701012**.
- 17- Management and leasing of owned or rented properties (non-residential) **6810226**.
- 18- Management and leasing of owned or rented properties (residential) **681021**.
- 19- Activities related to investment company **649922**.
- 20- General warehouses that contain a variety of goods **521093**.

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

#### **Article No. (4):**

##### **Participation and Ownership in Companies:**

- 1- The Company may establish companies on its own, participate with existing companies, or fully acquire them in accordance with the provisions of the Companies Law, the Capital Market Law, their executive regulations, and other relevant regulations.
- 2- The company may own shares in other existing companies or merge therewith, and have the right to partner with third parties in establishing joint stock or limited liability companies after fulfilling the required laws, regulations and instructions in this regard.

3- Furthermore, the Company may dispose of such shares, provided that this does not include brokerage.

**Article (5):**

**Term of the Company”**

The company's duration is indefinite and starts from the date of its registration in the commercial register.

**Article No. (6):**

**Capital:**

The company's issued capital is set at 555,000,000 Saudi Riyals (five hundred and fifty-five million) Saudi Riyals, divided into 55,500,000 shares (fifty-five million and five hundred thousand) ordinary shares of equal value, each with a nominal value of 10 (ten) Saudi Riyals.

**Article No. (7):**

**Subscription to Shares:**

The shareholders have subscribed to the entire issued capital of the company, totalling 55,500,000 shares (fifty-five million and five hundred thousand), which are fully paid.

**Article No. (8):**

**Issuance of shares, preferred shares, and redeemable shares, as well as the splitting or merging of shares:**

1- Shares shall be nominal and indivisible with respect to the company. If the share is owned by multiple persons, they must appoint one of them to represent them in exercising the rights associated with the share. These owners shall be jointly liable for the obligations arising from the ownership of the share.



- 2- The company may, according to the principles and regulations set by the competent authority, issue or purchase preferred shares or redeemable shares, as well as convert between different types and classes of shares. This is in accordance with the provisions, regulations, and conditions outlined in the Companies Law, the Capital Market Law, and their Executive Regulations.
- 3- Subject to the provisions of the Companies Law and its Executive Regulations, the company may split its shares into shares with a lower nominal value or consolidate them into shares with a higher nominal value. It is also permissible to issue shares at a value higher than this nominal value, in accordance with the relevant provisions. This shall be done in accordance with the following regulations:
  - A- Notifying the Capital Market Authority of the proposed share split or consolidation before obtaining approval from the Extraordinary General Assembly.
  - B- Obtaining approval from the Extraordinary General Assembly.
  - C- Coordinating with the Saudi Stock Exchange to make the necessary arrangements to implement the General Assembly's decision to split or consolidate the company's shares.

**Article No. (9):**

**Trading of Shares:**

The Company's shares shall be traded in accordance with the provisions of the Capital Market Law and its implementing regulations.

**Article (10):**

**Sale of Unrealized Shares:**

- 1- The shareholder shall pay the remaining amount of the share's value by the specified deadlines. If the shareholder fails to make the payment on time, the Board of Directors may, after notifying the shareholder through the electronic system of the stock exchange, a daily newspaper, registered mail, or any modern technological means, sell the share at a public auction or on the stock market, as applicable. Other shareholders shall have priority in purchasing the defaulting

shareholder's shares, in accordance with the regulations and guidelines set by the competent authority.

- 2- The company shall realize the amounts payable thereto from the sale proceeds and return the remainder to the shareholder. If the sale proceeds are not sufficient to meet these amounts, the company may realize the remainder from all the shareholder's money.
- 3- The exercise of rights associated with shares for which payment has not been made by the specified deadline shall be suspended until the shares are sold or the outstanding amount is paid in accordance with the provisions of paragraph (1) of this article. These rights include the right to receive a share of the net profits to be distributed and the right to attend general meetings and vote on their resolutions. However, the defaulting shareholder may pay the outstanding amount along with any expenses incurred by the company up to the day of the sale. In this case, the shareholder has the right to request the distribution of profits that have been declared.
- 4- The company shall cancel the certificate of the share sold in accordance with the provisions of this article and issue a new certificate to the buyer with the same number. The sale shall be recorded in the shareholder registry, including the necessary details of the new owner.

#### **Article No. (11):**

#### **Conversion of Shares:**

- 1- One type or class of shares may be converted into another type or class.
- 2- The conversion of one type or class of shares to another type or class requires approval from the Extraordinary General Assembly, except in cases where the issuance decision stipulates automatic conversion to another type or class upon meeting certain conditions or after a specified period.
- 3- The provisions of Article (110) of the Companies Law shall apply in cases where the conversion results in the modification or cancellation of the rights and obligations associated with the type or class of the share.

- 4- Ordinary or preferred shares or any class thereof may not be converted into redeemable shares or any class thereof except with the consent of all shareholders of the Company.

**Article No. (12):**

**Modification of rights and obligations related to shares:**

- 1- In order to amend or cancel any of the rights, obligations, or restrictions associated with shares, or to convert any type or class of shares into another type or class if it results in the amendment or cancellation of the rights and obligations associated with the type or class of shares being converted, or in order to issue shares of a certain type or class that affects the rights of another class of shareholders, it is required to obtain the approval of a special assembly constituted in accordance with Article (eighty-nine) of the Companies Law, consisting of shareholders who are adversely affected by this amendment, cancellation, conversion, or issuance, as well as the approval of the Extraordinary General Assembly.
- 2- If the company has preferred shares or redeemable shares, new shares may not be issued that have priority over any of these classes without the approval of a special assembly constituted in accordance with Article (eighty-nine) of the Companies Law, and consisting of shareholders who are adversely affected by this issuance.

**Article No. (13):**

**Purchase, sale, and pledge of the company's shares.**

- 1- The Company may purchase, sell and pladge its ordinary, preferred or redeemable shares in accordance with the relevant provisions and regulations of the Companies Law, the Capital Market Law and Regulations and their Executive Regulations.
- 2- The company may also purchase its own shares to allocate them to the Company's employees under an employee stock program, in accordance with the provisions of the company's Bylaws, the Capital Market Law, and their Executive Regulations.

- 3- The company may also purchase, sell, and pledge treasury shares in accordance with the provisions of the company's Bylaws, the Capital Market Law, and their Executive Regulations.

**Article No. (14):**

**Capital Increase:**

- 1- The Extraordinary General Assembly may decide to increase the company's issued or authorised capital, provided that the issued capital has been paid in full. However, the capital is not required 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 set for converting them into shares has not yet expired.
- 2- The Extraordinary General Assembly may, in all cases, allocate the shares issued upon the capital increase, or part thereof, to the company's employees, subsidiaries or some or any of them. Shareholders may not exercise the right of priority when the company issues the shares allocated to employees
- 3- A shareholder who holds shares at the time the Extraordinary General Assembly approves an increase in the issued capital or the Board of Directors approves an increase within the authorized capital limit (if any) shall have the priority to subscribe to the new shares issued for cash contributions. These shareholders will be notified of their priority through the disclosure mechanisms of listed joint-stock companies approved by the competent authority, including information about the capital increase decision, subscription terms, subscription period, and start and end dates.
- 4- The Extraordinary General Assembly has the right to suspend the shareholders' priority right to subscribe to the capital increase in exchange for cash contributions, or to give priority to non-shareholders in the cases it deems appropriate for the interest of the company.
- 5- Shareholders may sell or assign their right of priority, either for consideration or gratuitously, in accordance with the regulations set forth.
- 6- Subject to the provisions of paragraph (4) of this article, the new shares shall be allocated to the holders of priority rights who requested subscription in

proportion to their entitlement of priority rights from the total priority rights resulting from the capital increase, provided that the amount they receive does not exceed their request for new shares. The remainder of new shares shall be distributed to the holders of priority rights who requested more than their proportionate share, in proportion to their entitlement of priority rights from the total priority rights resulting from the capital increase, provided that the amount they receive does not exceed their request for new shares. Any remaining shares shall be offered to others, unless the Extraordinary General Assembly decides otherwise or the Capital Market Law provides otherwise.

**Article No. (15):**

**Capital decrease**

- 1- The Extraordinary General Assembly may decide to reduce the capital if it exceeds the company's needs or if the Company suffers losses. In the latter case only, the capital may be reduced below the limit prescribed by the Companies Law. The reduction decision shall be issued only after reading a statement at the General Assembly prepared by the Board of Directors on the reasons for the reduction, the company's obligations and the impact of the reduction on their fulfilment, and a report from the company's auditor shall be attached to this statement.
- 2- If the reduction of the capital is a result of its excess over the Company's needs, the creditors shall be invited to express any objections they may have to the reduction, if any, at least forty-five days before the scheduled date of the Extraordinary General Assembly meeting to decide on the reduction. The invitation shall include a statement explaining the amount of the capital before and after the reduction, the date of the meeting, and the effective date of the reduction. If any creditor objects to the reduction and submits their documents to the company within the specified period, the company shall either repay the debt if it is due or provide sufficient security for its future payment if it is deferred.
- 3- Equality among shareholders holding shares of the same type and class shall be considered when reducing the capital.

**Article No. (16):**

**Debt instruments and financing instruments:**

- 1- The company may issue - in accordance with the Capital Market Authority's Law and Regulations - debt instruments or tradable financing certificates.
- 2- The company may not issue debt instruments or financing instruments that are convertible into shares, except after a decision is issued by the extra-ordinary general assembly in which it determines the maximum number of shares that may be issued in exchange for those instruments or deeds, whether those instruments or deeds are issued at the same time or through a series of issues or through one or more programs to issue debt instruments or financing deeds. The Board of Directors may, without further approval from this Assembly, issue new shares in exchange for those instruments or deeds whose holders request conversion, immediately after the expiry of the conversion request period specified for the holders of those instruments or deeds. The board shall do the needful to amend the company's Bylaws with regard to the number of issued shares and the capital.
- 3- Subject to the provisions of the Companies Law, the company may convert debt instruments into financing instruments or shares in accordance with the Capital Market Authority's Law and Regulations. In all cases, these instruments may not be converted into shares in the following two cases:
  - A- If the conditions for issuing debt instruments and financial instruments do not include the permissibility of converting these instruments and deeds into shares by raising the company's capital.
  - B- If the holder of the debt instrument or the financing instrument does not agree to this conversion.
- 4- The resolutions of the shareholders' assemblies shall apply to the holders of debt instruments and financial instruments. However, the aforementioned assemblies may not amend the rights assigned to those debt/financing instruments holders except with their approval in a special assembly held in accordance with the provisions of the Companies Law and its Executive Regulations.

**Article No. (17):**

**Company Management:**

The management of the company shall be vested in a Board of Directors composed of seven (7) members who shall be natural persons elected by the Ordinary General Assembly of Shareholders for a term not exceeding four years. Members of the Board of Directors may be re-elected for subsequent terms according to the election and nomination procedures established by the competent authority.

**Article No. (18):**

**Expiry or Termination of Board Membership:**

- 1- Membership of the Board shall expire concurrently with the expiration of its term or with the expiration of the member's validity according to any law or instructions in force in the Kingdom. However, the General Assembly may (on the recommendation of the Board of Directors) terminate the membership of any member who has been absent from attending (three) consecutive meetings or (five) separate meetings during 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 shall elect a new Board of Directors or someone to replace the dismissed member (as the case may be) in accordance with the provisions of the Companies Law.

**Article No. (19):**

**Expiration of the Board of Directors' term, retirement of its members, or membership vacancy**

- 1- 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 it is not possible to hold elections and the term of the current Board expires, its members shall continue to perform their duties until a new Board of Directors is elected, provided that the term of the continuing members does not exceed 90 (ninety) days from the date of the Board's term expiration. The Board of

Directors shall take the necessary steps to elect a new Board to replace it before the end of the period specified in this paragraph.

- 2- If the Chairman and members of the Board retire, they shall convene the Ordinary General Assembly to elect a new Board of Directors, and the retirement shall not take effect until the election of the new Board, provided that the period of continuity of the retiring Board shall not exceed one hundred and twenty days from the date of such retirement, and the Board shall take the necessary measures to elect a Board of Directors to replace it before the expiry of the period of continuity specified in this paragraph.
- 3- A member of the Board of Directors may resign from his membership by submitting a written notice to the Chairman of the Board. If the Chairman of the Board resigns, the notice shall be directed to the remaining members of the Board and the Secretary of the Board. The resignation takes effect from the date specified in the notice in both cases.
- 4- If a position of a Board member of a joint-stock company becomes vacant due to the death or resignation of a member, and this vacancy does not result in a deficiency in the necessary conditions for the validity of the Board's meeting due to a shortage of the number of members below the minimum, the Board may (temporarily) appoint a person with the required experience and competence to fill the vacant position. The competent authorities, shall be notified of the appointment within fifteen days from the date of appointment. The appointment shall be presented to the ordinary General Assembly at its first meeting, and the appointed member completes the remaining term of his predecessor. The seat may also remain vacant until the end of the Board's term or until the General Assembly is convened to appoint a member to the vacant seat.
- 5- Should the conditions necessary 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 or in this Law, the rest of the members must invite the Ordinary General Assembly to convene within a period of (60) days to elect the necessary number of members.



## **Article No. (20):**

### **Powers of the Company Board of Directors:**

Subject to the powers assigned to the General Assembly, the Board of Directors shall have the widest authority and powers in managing the company, overseeing its operations and assets, and handling its affairs both inside and outside the Kingdom. The Board sets the general policy to achieve the purpose for which the company was established. This includes, but is not limited to, the following powers and authorities:

- 1- Representing the company in its relations with others, including government entities, quasi-governmental bodies, and private organizations. This encompasses representation before the Ministry of Commerce, Ministry of Investment, Capital Market Authority, Saudi Tadawul Company, Zakat, Tax, and Customs Authority, the General Secretariat for Zakat, Tax, and Customs Committees, Notary Public offices, the Bureau of Investigation and Prosecution, the Public Prosecution, the Anti-Corruption Commission, the Riyadh Development Authority, judicial courts, Sharia courts, administrative courts (Board of Grievances), arbitration bodies, all types of committees and their jurisdictions, labor offices, passport and civil rights authorities, telecommunications companies, police departments, chambers of commerce and industry, public and private organizations, and various ministries, including the Royal Court, Ministry of Justice, Ministry of Interior, Ministry of Foreign Affairs, Ministry of Finance, Ministry of Housing, Ministry of Municipal and Rural Affairs, both inside and outside the Kingdom of Saudi Arabia, and all relevant entities.
- 2- Handling all matters related to claims and courts, including but not limited to: appointing lawyers or others for review, advocacy, defense, and legal representation on behalf of the company; filing, hearing, and responding to lawsuits; acknowledging, denying, settling, waiving, and releasing claims; requesting and rejecting oaths; presenting and challenging witnesses and evidence; answering, impeaching, and amending; alleging forgery, denying handwriting, seals, and signatures; requesting and lifting travel bans; requesting sequestration and execution; seeking arbitration, appointing experts and

arbitrators; challenging and replacing expert and arbitrator reports; accepting, enforcing, denying, or contesting judgments; filing appeals or petitions for reconsideration; requesting cassation of judgments before the Supreme Court; seeking reinstatement of reputation; receiving court judgments; collecting and paying amounts from and to courts and arbitration bodies; attending sessions in all lawsuits initiated by or against the company before government and private entities, and before all levels of Sharia courts, judicial bodies, administrative courts (Board of Grievances), commercial courts, labor offices, higher and initial committees, the Committee for the Settlement of Securities Disputes, offices for the settlement of commercial paper disputes, banking dispute resolution committees, customs and tax committees, commercial fraud committees, and all other judicial committees, as well as the Anti-Corruption Commission, the Public Prosecution, and arbitration bodies, and enforcement and execution departments.

- 3- Handling all necessary matters related to companies established or participated in by the Company, including but not limited to: approving the establishment and creation of various types of companies, purchasing shares or stocks in companies, managing, operating, terminating, liquidating, financing, guaranteeing, and participating in any type of company, establishment, fund, or branch, either alone or in partnership, whether inside or outside the Kingdom. This includes determining the functions and budgets of branches and companies, appointing branch managers and defining their powers, authorities, and salaries, setting the amounts and values of shares or stocks in which the company will participate, increasing or decreasing the capital of these companies, withdrawing from companies in which the company participates, buying, selling, pledging, releasing pledges, and transferring shares or stocks in companies, collecting payment either in cash or by check in the company's name, converting these entities into joint-stock companies, limited liability companies, or other types of companies, signing the articles of incorporation and all amendments and appendices before the Notary Public, Ministry of Commerce, Ministry of Investment, or other government entities, or canceling them, signing any documents, contracts, or other decisions issued by the

company as a partner or shareholder in these companies, including purchase or sale contracts, pledges, releases, transfers, or disposal of shares or stocks, general assembly minutes, permits, requests, notifications, powers of attorney, resolutions, rental contracts, or any other necessary or required documents. This also includes appointing managers and board members for these companies, representing the company in partners' or shareholders' meetings, attending and voting on behalf of the company at partner meetings, including founding, ordinary, and extraordinary general assemblies, making decisions and voting on all matters, including but not limited to approving public offerings, issuing debt instruments, merging with other companies, liquidation, amending the company's purposes, or modifying any clause in the articles of incorporation.

- 4- Disposing of the company's assets, properties, real estate, funds, shares, and interests in other companies, as well as any other movable or immovable assets, in accordance with the limits and regulations outlined in the Companies Law and its executive regulations. This includes the sale, purchase, investment, pledging, releasing pledges, and annotation of deeds through merging, splitting, gifting, paying and collecting prices, transferring, and exercising the right of seizure. This also includes signing documents before a Notary Public or other government entities regarding these transactions. Additionally, receiving deeds, updating deeds, entering them into the comprehensive system, and issuing a set of replacement deeds for lost ones, with the following details: Extracting a set of replacement deeds for damaged ones and their details, amending the owner's name and civil registry number, modifying boundaries, dimensions, area, plot numbers, plans, and deed dates and neighborhood names, leasing, signing lease agreements, renewing lease agreements, collecting rent, canceling and terminating lease agreements, reviewing notarial records for real estate inquiries, and certifying copies of real estate deeds.
- 5- Representing the company in its dealings with companies, banks, commercial financial institutions, investment funds, and government financing institutions with various titles and jurisdictions, as well as all types of financial institutions and lenders. This includes opening, managing, operating, and closing accounts related to the company's activities, including withdrawing from, depositing into,

and transferring funds to third parties' accounts. Additionally, handling the company's funds, claiming its rights, signing any related documents or contracts, obtaining loans and other facilities of any kind and amount from government financing institutions, commercial banks, financial houses, credit companies, and other credit entities, issuing guarantees and endorsements when the board deems it in the company's best interest, and signing, issuing, and accepting checks, promissory notes, and other commercial papers. This also encompasses entering into leasing, financial derivatives, treasury operations, financial hedging, currency exchange hedging, and granting credits, as well as conducting all necessary transactions for executing all banking agreements and deals, all in accordance with the terms and conditions deemed appropriate by the board. Additionally, creating, signing, and endorsing all types of financial and commercial documents, rescheduling installments, requesting and signing bank credits and guarantees, and registering such guarantees. This also includes managing investment portfolios, liquidating investment portfolios, requesting information on various types of securities, trading, selling, collecting proceeds, and depositing them into other portfolios or accounts. Tasks also involve buying and selling shares, receiving share certificates, collecting the value of shares, opening investment portfolios, issuing, amending, and canceling orders, subscribing to investment fund units, redeeming investment fund units, subscribing to shares, transferring shares between portfolios, and liquidating real estate shares.

- 6- Entering into contracts and engagements for the company and on its behalf, entering into tenders and bids, investing in stocks, portfolios, and bonds, and signing all types of contracts, documents, and agreements, including memorandums of understanding. This includes conducting all actions and transactions such as negotiating, contracting, obligating, binding, settling, relinquishing, and releasing, as well as amending, replacing, and adding to any contracts and commitments with third parties that are intended to achieve the company's objectives. This encompasses, but is not limited to, licensing agreements, marketing agreements, forward purchase agreements, purchase and sale agreements, rental agreements, agency agreements, franchising

agreements, insurance contracts, indemnity contracts, guarantees, brokerage agreements, and legal and accounting service contracts, all according to the form, terms, and amounts deemed appropriate by the board at its sole discretion.

- 7- The board shall have the authority, in cases it deems appropriate, to release the company's debtors from their obligations in a manner that serves the company's interests, provided that the board's meeting minutes include the rationale for its decision.
- 8- Making decisions regarding the company's financial plan and policies for setting aside reserves and provisions, as well as, with the authorization of the Ordinary General Assembly, announcing and distributing the company's annual, semi-annual and quarterly profits.
- 9- Issuing any type of tradable debt instruments inside or outside the Kingdom of Saudi Arabia in accordance with the applicable regulations and controls set by the competent authority.
- 10- Approval of the company's internal, financial, administrative and technical regulations, as well as the policies and regulations for its employees.
- 11- Appointing and dismissing employees, accountants, internal auditors, agents, and advisors of the company under terms deemed appropriate by the Board of Directors. This includes defining their powers, duties, and obligations towards the company, promoting or transferring them, setting their salaries, allowances, and compensation, including severance pay. The Board is also responsible for processing visa applications, recruiting employees and workers from abroad, obtaining and renewing residency and work permits, transferring and terminating sponsorships, and issuing exit and re-entry visas as well as final exit visas for all company personnel.
- 12- Forming committees of all types, determining their powers and authority, appointing their members from among its members or from others, dismissing them, and determining their compensation, rewards, salaries, and allowances.
- 13- Approval of the company's business plan and approval of its operational plans and annual budget.
- 14- Signing and certifying all necessary licenses, records, certificates, authorizations, forms, and documents, receiving and delivering them on behalf of the company, and registering signatures and stamps with the Chamber of Commerce and Industry. Additionally, issuing, renewing, and amending the company's certificates and licenses with all relevant authorities.
- 15- Handling all matters related to commercial registration and chambers of commerce, including but not limited to: reviewing the Registration Department, obtaining and renewing commercial registration, transferring commercial

registration, booking trade names, registering with the Chamber of Commerce, validating signatures, renewing Chamber of Commerce membership, signing all documents with the Chamber of Commerce, managing and amending registrations, adding activities, opening branches for the registrations, and canceling registrations.

- 16- Registering trademarks in the company's name or transferring trademarks to others, and registering intellectual property rights in the company's name both inside and outside KSA.
- 17- Preparing and approving the company's initial and annual financial statements prior to publication.
- 18- Preparing and approving the Board of Directors' report before its publication.
- 19- Developing a written policy to address actual and potential conflicts of interest for members of the Board, executive management, and shareholders.
- 20- Developing a written policy that regulates the relationship with stakeholders.
- 21- Approving the increase of the company's capital within the limits of the authorized capital (if any).
- 22- Determining the types of rewards granted to company employees, such as fixed bonuses, performance-related bonuses, and stock-based rewards, in accordance with applicable regulations and the guidelines established by the relevant authority.
- 23- Informing the Ordinary General Assembly, when it convenes, of the business and contracts in which a member of the Board has a direct or indirect interest, in accordance with applicable regulations and the guidelines established by the relevant authority. This notification should be accompanied by a special report from the company's external auditor.
- 24- Calling the General Assembly to convene well before the end of its term to elect a new Board of Directors.
- 25- Authorize or delegate any of the board's powers, within its the limits of its powers, to one or more board members or third parties to take any action or carry out specific tasks on behalf of the board, and to partially or fully revoke such authorization or delegation. This includes granting the delegate or agent the authority to further delegate or appoint others
- 26- The board of directors shall obtain the approval of the general assembly when selling company assets whose value exceeds fifty percent (50%) of the

total value of its assets, in accordance with the regulations specified in the Companies Law and its executive regulations.

- 27- Appointing, renewing, and dismissing the Chief Executive Officer (CEO), as well as defining his powers, salary, allowances, performance indicators, and incentives.
- 28- Managing the company, including appointing employees and workers, renewing their contracts, promoting them, determining their salaries and allowances, transferring them, conducting investigations, disciplining them, determining their bonuses, and terminating their services, all in accordance with applicable laws and the company's internal regulations.
- 29- Establishing branches, offices or agencies for the company inside or outside the Kingdom of Saudi Arabia.
- 30- Determining the payment dates for the remaining value of the cash shares.
- 31- Any powers and authorities granted to the Board under the Companies Law and its regulations, as well as the Executive Regulations of the Capital Market Law, and any related policies and regulations approved by the company

#### **Article No. (21):**

##### **Remuneration for Board Members:**

- 1- Members of the Board of Directors are entitled to receive remuneration in their capacity as Board members, in accordance with the terms, conditions, and policies approved by the General Assembly from time to time. A board member may receive a bonus for any executive, technical, administrative or advisory work or positions under an additional professional license assigned thereto in the company, in addition to the remuneration/bonus he may receive as a board member and in committees formed by the board according to the Companies Law, its Executive Regulations and the company's Bylaws.
- 2- Remuneration of Board members may consist of a certain amount, an attendance allowance for meetings, an in-kind expense allowance, or a percentage of profits. It is permissible to combine two or more of these benefits. The remuneration may also vary to reflect the member's level of expertise, responsibilities, and assigned duties, in accordance with a policy issued by the Remunerations and Nomination Committee and approved by the General Assembly.

- 3- The report of the board of directors submitted to the Ordinary General Assembly at its annual meeting shall include a comprehensive statement of all that each board member 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 board members have received in their capacity as workers or administrators, or what they have received in exchange for technical, administrative or consulting works. It shall also include a statement of the number of board sessions and the number of sessions attended by each member.

**Article No. (22):**

**Powers of the Chairman, Vice Chairman, CEO and Secretary of the Company:**

- 1- The Board shall appoint, at its first meeting, from among its members a Chairman and a Vice Chairman. The Board may also appoint a Managing Director or a Chief Executive Officer from among its members. The Vice Chairman shall assume the duties of the Chairman in the latter's absence, according to the authorities and powers assigned to him by the Board, in addition to those specified in these bylaws.
- 2- The Board of Directors shall appoint a Chief Executive Officer (CEO) from among its members or from outside the Board to manage the day-to-day operations of the company, in accordance with the authorities and powers assigned thereto by the Board, in addition to those specified in these bylaws.
- 3- The Chairman of the Board may not hold both his position and any executive role within the company, including the position of Chief Executive Officer.
- 4- The Board of Directors appoints a Secretary of the Board of Directors, chosen from among its members or others, who is responsible for recording the minutes of the meetings of the Board of Directors, recording and preserving the resolutions issued by these meetings, in addition to exercising other duties assigned thereto by the Board of Directors, whose remuneration shall be determined by the Board of Directors.
- 5- In addition to the powers of the Chairman of the Board and the Chief Executive Officer mentioned in the Bylaws, the Board of Directors may, by a



decision, determine the powers and authorities of each of the Chairman of the Board and the Chief Executive Officer.

- 6- The Board of Directors shall determine, at its discretion, the specific remuneration for the Chairman of the Board and the Chief Executive Officer, in addition to the remuneration set for Board members as stipulated in these bylaws, and in accordance with the provisions of the Companies Law, its regulations, and the company's internal policies.
- 7- The term of appointment of the Board Chairman, the Vice Chairman, the Managing Director, the Chief Executive Officer, and the Secretary (if they are Board members) shall not exceed their tenure as members of the Board. They may be re-elected for a similar term. The Board may, at any time, remove any or all of them.
- 8- The Chairman of the Board shall have the following authorities and powers:
  - A- To call for and preside Board meetings. The Chairman must convene a Board meeting whenever requested by a Board member.
  - B- To handle all matters related to companies established by or in which the company participates, including, but not limited to, the following:
    - Approving the formation, establishment, purchase, management, operation, dissolution, and financing of any type of company, institution, fund, or branch, either alone or with others, whether inside or outside the Kingdom of Saudi Arabia;
    - Defining the functions and budgets of branches and companies;
    - Determining the amounts and values of shares or stocks in which the company will participate;
    - Increasing or decreasing the capital of these companies or withdrawing from them;
    - Buying, selling, mortgaging, releasing mortgages, and transferring shares or stocks in other companies and collecting their value;
    - Converting the entities of these companies into joint-stock companies, limited liability companies, or other types;
    - Signing the establishment contracts of these companies and all related amendments and attachments before a notary public or any other government authority, or canceling them;
    - Signing any documents, contracts, or decisions issued by the company as a partner or shareholder in these companies, including purchase, sale, mortgage, release of

mortgage, transfer of shares or stocks, general assembly minutes, permits, requests, notices, powers of attorney, decisions, rental agreements, or any other necessary or appropriate documents; - Appointing managers, board members, and directors of these companies, and representing the company at partner or shareholder meetings, including founding, ordinary, and extraordinary general meetings, as well as making decisions on behalf of the company, including amendments to the purposes of these companies. He may also appoint and hire consultants or experts for himself or the board, define their fees and scope of work, and dismiss them, to assist and provide necessary advice for carrying out the duties assigned to him or the board.

- C- To represent the company in its relations with corporations, banks, commercial financial institutions, investment houses, and all government funding entities with their various names and functions, as well as financial institutions of all types and other lenders; opening, managing, operating, and closing bank accounts of any kind and in any country; conducting all transactions related to these accounts concerning the company's activities, including withdrawals, deposits, and transfers; collecting and disbursing the company's funds; claiming its rights; using related electronic services in any country on behalf of the company; and signing, issuing, and accepting checks, promissory notes, and other commercial papers.
- D- To procure, after obtaining the board's approval, loans and other forms of credit facilities of all types, for any duration and amount, from government funding institutions, commercial banks, investment houses, credit companies, and any other credit entities; issuing guarantees and sureties in favor of any party; engaging in leasing operations, financial derivatives, treasury operations, currency hedging, and issuing letters of credit; and conducting all necessary transactions to conclude all banking agreements and transactions, including signing any related documents or contracts.
- E- To represent the Chairman of Board of Directors in handling all matters related to claims and courts, including but not limited to: appointing lawyers or others for review, advocacy, defense, and legal representation on

behalf of the company; filing, hearing, and responding to lawsuits; acknowledging, denying, settling, waiving, and releasing claims; requesting and rejecting oaths; presenting and challenging witnesses and evidence; answering, impeaching, and amending; alleging forgery, denying handwriting, seals, and signatures; requesting and lifting travel bans; requesting sequestration and execution; seeking arbitration, appointing experts and arbitrators; challenging and replacing expert and arbitrator reports; accepting, enforcing, denying, or contesting judgments; filing appeals or petitions for reconsideration; requesting cassation of judgments before the Supreme Court; seeking reinstatement of reputation; receiving court judgments; collecting and paying amounts from and to courts and arbitration bodies; attending sessions in all lawsuits initiated by or against the company before government and private entities, and before all levels of Sharia courts, judicial bodies, administrative courts (Board of Grievances), commercial courts, labor offices, higher and initial committees, the Committee for the Settlement of Securities Disputes, offices for the settlement of commercial paper disputes, banking dispute resolution committees, customs and tax committees, commercial fraud committees, and all other judicial committees, as well as the Anti-Corruption Commission, the Public Prosecution, and arbitration bodies, and enforcement and execution departments.

- F- The Chairman of the Board may delegate or authorize any of his powers—within his scope of authority—to one or more members of the Board or to others, to undertake any action, conduct, or specific tasks on his behalf as Chairman of the Board. He may also revoke the delegation or authorization, either partially or entirely, and grant the delegate or representative the right to further delegate or authorize others.

**The Chief Executive Officer (CEO) shall have the following authorities and powers:**

- 1- To represent the Chief Executive Officer (CEO) of the Company in its relations with others, including government entities, and private organizations. This encompasses representation before the Ministry of Commerce, Ministry of

Investment, Capital Market Authority, Saudi Tadawul Company, Zakat, Tax, and Customs Authority, Notary Public offices, the Bureau of Investigation and Prosecution, the Public Prosecution, the Anti-Corruption Commission, the Riyadh Development Authority, judicial courts, Sharia courts, administrative courts (Board of Grievances), arbitration bodies, all types of committees, labor offices, passport and civil rights authorities, telecommunications companies, police departments, chambers of commerce and industry, public and private organizations, and various ministries, including the Royal Court, Ministry of Justice, Ministry of Interior, Ministry of Foreign Affairs, Ministry of Finance, Ministry of Housing, Ministry of Municipal and Rural Affairs, both inside and outside the Kingdom of Saudi Arabia, and all relevant governmental or private entities.

- 2- To represent the Chief Executive Officer (CEO) of the Company in handling all matters related to claims and courts, including but not limited to: appointing lawyers or others for review, advocacy, defense, and legal representation on behalf of the company; filing, hearing, and responding to lawsuits; acknowledging, denying, settling, waiving, and releasing claims; requesting and rejecting oaths; presenting and challenging witnesses and evidence; answering, impeaching, and amending; alleging forgery, denying handwriting, seals, and signatures; requesting and lifting travel bans; requesting sequestration and execution; seeking arbitration, appointing experts and arbitrators; challenging and replacing expert and arbitrator reports; accepting, enforcing, denying, or contesting judgments; filing appeals or petitions for reconsideration; requesting cassation of judgments before the Supreme Court; seeking reinstatement of reputation; receiving court judgments; collecting and paying amounts from and to courts and arbitration bodies; attending sessions in all lawsuits initiated by or against the company before government and private entities, and before all levels of Sharia courts, judicial bodies, administrative courts (Board of Grievances), commercial courts, labor offices, higher and initial committees, the Committee for the Settlement of Securities Disputes, offices for the settlement of commercial paper disputes, banking dispute resolution committees, customs and tax committees, commercial fraud committees, and all other judicial

committees, as well as the Anti-Corruption Commission, the Public Prosecution, and arbitration bodies, and enforcement and execution departments.

- 3- To represent the CEO of the Company in entering into contracts and engagements for the company and on its behalf, entering into tenders and bids, investing in stocks, portfolios, and bonds, and signing all types of contracts, documents, and agreements, including memorandums of understanding. This includes conducting all actions and transactions such as negotiating, contracting, obligating, binding, settling, relinquishing, and releasing, as well as amending, replacing, and adding to any contracts and commitments with third parties that are intended to achieve the company's objectives. This encompasses, but is not limited to, licensing agreements, marketing agreements, forward purchase agreements, purchase and sale agreements, rental agreements, brokerage agreements, and legal and accounting service contracts, agency and franchise agreements, insurance contracts, and compensation and guarantee agreements
- 4- To represent the CEO of the Company in its relations with corporations, banks, commercial financial institutions, investment houses, and all government funding entities with their various names and functions, as well as financial institutions of all types and other lenders; opening, managing, operating, and closing bank accounts of any kind and in any country; conducting all transactions related to these accounts concerning the company's activities, including withdrawals, deposits, and transfers; collecting and disbursing the company's funds; claiming its rights; using related electronic services in any country on behalf of the company; and signing, issuing, and accepting checks, promissory notes, and other commercial papers. Additionally, creating, signing, and endorsing all types of financial and commercial documents, rescheduling installments, requesting and signing bank credits and guarantees, and registering such guarantees. This also includes managing investment portfolios, liquidating investment portfolios, requesting information on various types of securities, trading, selling, collecting proceeds, and depositing them into other portfolios or accounts. Tasks also involve buying and selling shares, receiving share certificates, collecting the value of shares, opening investment portfolios, issuing, amending, and canceling orders, subscribing to investment fund units,

redeeming investment fund units, subscribing to shares, transferring shares between portfolios, and liquidating real estate shares.

- 5- To procure, after obtaining the board's approval, loans and other forms of credit facilities of all types, for any duration and amount, from government funding institutions, commercial banks, investment houses, credit companies, and any other credit entities; issuing guarantees and sureties in favor of any party; engaging in leasing operations, financial derivatives, treasury operations, currency hedging, and issuing letters of credit; and conducting all necessary transactions to conclude all banking agreements and transactions, including signing any related documents or contracts.
- 6- To sign instruments, deeds and title conveyance documents before notaries public and official and private entities both within and outside the Kingdom. This includes receiving and updating deeds, entering them into the comprehensive system, and extracting a set of replacement deeds for lost or damaged documents. Specific tasks include: Extracting a set of replacement deeds for damaged ones and their details, amending the owner's name and civil registry number, modifying boundaries, dimensions, area, plot numbers, plans, and deed dates and neighborhood names, leasing, signing lease agreements, renewing lease agreements, collecting rent, canceling and terminating lease agreements, reviewing notarial records for real estate inquiries, and certifying copies of real estate deeds.
- 7- To appoint, dismiss, and define the duties and responsibilities of the company's employees, agents, and advisors; this includes promoting or transferring them, providing necessary allowances, determining their salaries and bonuses, and disbursing their salaries and compensations. Additionally, this involves applying for visas, recruiting employees and workers from abroad, issuing and renewing residence identities, work permits, and transferring or terminating sponsorships.
- 8- To sign and certify all necessary licenses, records, certificates, authorizations, forms, and documents, receiving and delivering them on behalf of the company, and registering signatures and stamps with the Chamber of Commerce and Industry. Additionally, issuing, renewing, and amending the company's certificates and licenses.

- 9- To handle all matters related to commercial registration and chambers of commerce, including but not limited to: To review the Registration Department, obtaining and renewing commercial registration, transferring registration, booking trade names, registering with the Chamber of Commerce, renewing Chamber of Commerce membership, signing all documents with the Chamber of Commerce, managing and amending registrations, adding activities, opening branches for the registrations, and canceling registrations.
- 10- To register the trademark or assigning it, and register intellectual property rights in the company's name, both inside and outside the Kingdom.
- 11- To accept and release mortgages on properties taken as collateral for the company's rights in the debts of others, including, but not limited to, advances on wages provided to the company's employees under its housing program.
- 12- To receive and deliver on behalf of the company.
- 13- The CEO may delegate or authorize any of his powers—within his scope of authority—to others to take any action or perform specific tasks on their behalf as the CEO, and may partially or fully revoke such delegations or authorizations. The CEO also has the authority to grant the delegate or agent the right to further delegate or authorize others.

**Article No. (23):**

**Board Meetings:**

- 1- The Board of Directors shall meet at least four times a year, at the invitation of its Chairman or his designee. The invitation must be in writing and may be sent to the Board members via modern communication methods such as email, online portals, or electronic applications, with sufficient advance notice before the meeting. The Chairman, or their designee, must call a meeting if any Board member requests in writing to discuss one or more topics.
- 2- The Board of Directors shall determine the location of its meetings, and meetings may be held using modern communication methods unless otherwise notified. For the purpose of establishing a quorum for the meeting, the Chairman may consider any member participating via telephone or any electronic means as being present for the entire duration of the meeting.

**Article No. (24):**

**Board Meeting Quorum and its Decisions:**

- 1- A Board of Directors meeting shall only be valid if attended by at least half of the board members in person or by proxy, provided that the number of attendees is not less than four (4) members. A Board member may delegate any of the members to attend on his behalf, in accordance with the following controls:
  - A- A member of the Board of Directors may not represent more than one member in attending the same meeting.
  - B- The proxy must be documented in writing, whether by email or any other means.
  - C- The proxy may not vote on decisions that the bylaws prohibit the appointing member from voting on.
- 2- Decisions of the Board of Directors shall be made by a majority of the votes of the members present. In case of a tie, the side with the vote of the meeting's chairperson shall prevail.
- 3- A decision of the Board of Directors shall be effective from the date of its issuance unless otherwise specified in the decision or upon meeting certain conditions.

**Article No. (25):**

**Issuance of Board Decisions by Circulation:**

The Board of Directors may issue decisions on matters it deems appropriate by circulating them among all members, unless a member requests, in writing, a meeting of the Board to discuss the matter. Such decisions are made with the approval of the majority of the members' votes and are presented to the Board at its next meeting for recording in the minutes of that meeting. These decisions shall be presented to the Board at its first following meeting.



**Article No. (26):**

**Board Deliberations:**

- 1- The deliberations and decisions of the board of directors are documented in minutes prepared by the secretary and signed by the chairman of the meeting, the present board members, and the secretary.
- 2- The minutes are recorded in a special register signed by the Chairman of the Board of Directors and the Secretary.
- 3- Modern technology means may be used for signing, documenting, and proving the discussions, decisions, and minutes of the board of directors.

**Article No. (27):**

**Committees emanating from the Board of Directors:**

The Board of Directors may form committees and delegate to them such powers as it deems appropriate, in accordance with the requirements of the Law and the needs of the company. The Board has full authority to determine the scope of their responsibilities, their tasks, and the procedures and regulations governing their operations. It is also responsible for appointing and dismissing their members and setting their compensation in accordance with relevant regulations. The Board will establish the work mechanisms for each committee and the process for monitoring their activities within the governance framework approved by the Board, in order to enable the Board to effectively fulfill its responsibilities.

**Article No. (28):**

**General Assembly Meetings for Shareholders:**

- 1- The General Assembly meeting shall be presided over by the Chairman of the Board of Directors or, in his absence, by his deputy. If neither is available, the meeting shall be chaired by a person appointed by the Board of Directors from among its members or others, through voting by the shareholders if necessary.
- 2- Every shareholder has the right to attend the General Assembly meeting and may appoint another person, who is not a member of the Board of Directors, to act as his proxy.

- 3- The General Assembly meeting may be held and shareholders may participate in discussions and vote on decisions using modern technological means.

**Article No. (29):**

**Call of Assemblies:**

- 1- The Board of Directors shall convene the General and Special Assemblies at the invitation of the Board of Directors, and the Board of Directors shall convene the Ordinary General Assembly within thirty (30) days from the date of the Auditor's request or one or more shareholders representing at least (ten percent) of the Company's shares with voting rights. The Auditor may call the Ordinary General Assembly to convene if the Board does not issue the invitation within thirty (30) days from the date of the Auditor's request.
- 2- The request referred to in paragraph (1) of this Article shall specify the matters on which the shareholders are required to vote.
- 3- The invitation to convene the General Assembly shall be issued using modern technological means at least twenty-one (21) days before the scheduled date, in accordance with applicable regulations and the guidelines set by the relevant authority.

**Article No. (30):**

**Quorum of the Ordinary General Assembly Meeting**

- 1- The Ordinary General Assembly Meeting shall not be valid unless attended by shareholders representing at least one quarter of the company's shares with voting rights.
- 2- If the required quorum for convening an Ordinary General Assembly meeting according to paragraph (1) of this article is not met, a second meeting shall be called under the same conditions specified in Article (91) of the Companies Law within thirty days following the date set for the previous meeting. However, the second meeting may be held one hour after the expiry of the period specified for the first meeting, provided that the invitation to the first meeting indicates the possibility of holding such meeting. In all cases, the second meeting shall be

valid if attended by shareholders representing at least one-fourth of the shares with voting rights.

**Article No. (31):**

**Quorum of the Extraordinary General Assembly Meeting:**

- 1- The Extraordinary General Assembly Meeting shall not be valid unless attended by shareholders representing at least one half of the company's shares with voting rights.
- 2- If the required quorum for convening an Extraordinary General Assembly meeting according to paragraph (1) of this article is not met, a second meeting shall be called under the same conditions specified in Article (91) of the Companies Law. However, the second meeting may be held one hour after the expiry of the period specified for the first meeting, provided that the invitation to the first meeting indicates the possibility of holding such meeting. In all cases, the second meeting shall be valid if attended by a number of shareholders representing at least a quarter of the company's shares with voting rights.
- 3- If the required quorum for convening the second meeting is not met, a third meeting shall be called under the same conditions specified in Article (91) of the Companies Law. The third meeting shall be valid regardless of the number of voting shares represented therein.

**Article No. (32):**

**Voting in Assemblies' Meetings**

- 1- Each shareholder has one vote per share in General Assemblies, and cumulative voting must be used in the election of the Board Members, so that the right to vote per share may not be used more than once.
- 2- Members of the Board of Directors are not allowed to participate in voting on assembly resolutions related to business and contracts in which they have a direct or indirect interest or which involve conflicts of interest.

**Article No. (33):**

**Resolutions of Assemblies:**

- 1- Decisions of the Ordinary General Assembly shall be approved by a majority of the voting rights represented at the meeting.
- 2- Decisions of the extraordinary general assembly are issued with the approval of two-thirds of the voting rights represented at the meeting, except in matters related to increasing or decreasing the capital, extending or dissolving the company before the expiry of its specified term in its articles, merging with another company, or splitting into two or more companies. In such cases, the decision is not valid unless approved by three-fourths of the voting rights represented at the meeting.

**Article No. (34):**

**Discussion in the Assemblies:**

Each shareholder shall have the right to discuss the topics listed on the General Assembly Agenda and to 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 shareholders' questions to the extent that the company's interest is not compromised. If a shareholder deems the answer to his question unconvincing, he shall appeal to the general assembly whose decision in this regard is enforceable.

**Article No. (35):**

**Assembly Minutes Preparation:**

The minutes of the General Assembly's meeting shall contain the number of shareholders present or represented, the number of shares they hold in person or by proxy, the number of votes assigned thereto, the decisions taken, the number of votes agreed or disagreed thereon, and an adequate summary of the discussion that took place at the meeting. The minutes shall be recorded regularly after each meeting in a special register signed by the president of the assembly, its secretary, and the vote collector.

**Article No. (36):**

**Appointment, Removal, and Resignation of the Company's Auditors:**

- 1- The company shall have one or more auditors licensed in the Kingdom, appointed and their fees, duration of service, and scope determined by the general assembly, and they may be reappointed, provided that their appointment period does not exceed the duration stipulated by the regulations.
- 2- By a resolution of the general assembly, auditors may be removed, and the chairman of the board of directors shall notify the competent authority of the removal and its reasons within a period not exceeding (five) days from the date of the resolution.
- 3- Auditors may resign from their duties by written notification to the company, and their duties shall end from the date of submission or on a later date specified in the notification, without prejudice to the company's right to compensation for any damage incurred if warranted. The retiring auditor shall be obliged to submit to the company and the competent authority - upon notification - a statement of the reasons for his retirement. The Board of Directors shall call the General Assembly to convene to consider the reasons for retirement and appoint another auditor and determine his fees, duration and scope of his work.

**Article No. (37):**

**Powers of the Auditor:**

The Auditor may, at any time, review the Company's documents, accounting records and supporting documents, and may request the data and clarifications he deems necessary to verify the Company's assets and liabilities and other matters within the scope of his work. The Chairman of the Board of Directors shall enable him to perform his duty, and if the auditor encounters difficulty in this regard, he shall record the same in a report submitted to the Board of Directors. If the Board of Directors does not facilitate the work of the auditor, he shall request the Board to invite the general assembly to consider the matter. The auditor may extend this invitation if the Board of

Directors fails to do so within a period of thirty (30) days from the date of the auditor's request.

**Article No. (38):**

**Fiscal Year:**

The company's financial year starts from the beginning of January and ends at the end of December of each calendar year.

**Article No. (39):**

**Financial documents**

- 1- At the end of each fiscal year of the company, the board of directors shall prepare the company's financial statements and a report on its activity and financial position for the past financial year. This report shall include the proposed method for distributing profits. The Board puts these documents at the auditor's disposal, at least (45) forty-five days before the date set for convening the general assembly.
- 2- The documents referred to in paragraph (1) of this Article shall be signed by the Company's Chairman of the Board of Directors, its Chief Executive Officer, and its Chief Financial Officer, and copies 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 company's financial statements, the Board of Directors' report (once signed), and the auditor's report, unless these have been published through the approved channels by the relevant authority, at least twenty-one (21) days before the scheduled date of the General Assembly meeting.

**Article No. (40):**

**Formation of Reserves and Distribution of Dividends:**

- 1- The Ordinary General Assembly, when determining the quota of equity in the net profits, may decide to form reserves, to the extent that achieves the interest of the company or ensures the distribution of fixed profits as much as possible

to the shareholders. Additionally, the said assembly has the right to allocate amounts from the net profits to achieve social purposes for the company's employees, to establish non-profit institutions, or to support existing institutions that serve the community.

- 2- The General Assembly may, based on a proposal from the Board of Directors, decide to distribute these reserves or reserves previously set aside by the shareholders, including any reserves allocated under regulatory requirements preceding the adoption of these bylaws, for the benefit of the company or its shareholders.
- 3- The general assembly determines the percentage to be distributed to shareholders from the net profits after deducting reserves, if any, based on a recommendation from the Board of Directors in accordance with regulatory requirements, taking into account what is stated in these Bylaws.
- 4- The company may distribute interim dividends to its shareholders semi-annually or quarterly, upon a decision by the Board of Directors, in accordance with applicable regulations and guidelines set by the relevant authority.

#### **Article No. (41):**

##### **Entitlement to Profits:**

The shareholder shall be entitled to his share of the profits (dividends) in accordance with the decision of the General Assembly issued in this regard. The decision shall indicate the date of entitlement and the date of distribution. The eligibility for dividends shall be for the owners of shares registered in the shareholders' records at the end of the day specified for entitlement. The Board of Directors shall implement the General Assembly's decision regarding the distribution of dividends to shareholders within the specified period, in accordance with the Companies Law and its executive regulations.

#### **Article No. (42):**

##### **Liability Claims against the Company and the Shareholder:**

- 1- The company may file a liability lawsuit against the members of the Board of Directors for breaching the Companies Law or the company's bylaws, or for any

errors, negligence, or failures in their duties that cause damage to the company. The General Assembly shall decide whether to pursue such a lawsuit and appoint a representative to handle the matter on behalf of the company. If the company is in the process of liquidation, the liquidator shall be responsible for filing the lawsuit. In the event that any liquidation proceedings are initiated against the company, the lawsuit shall be filed by the person legally representing the company.

- 2- A shareholder or more representing (five percent) of the company's capital may file a corporate liability lawsuit if the company fails to do so, provided that the primary objective of the lawsuit is to achieve the company's interests, the lawsuit is based on valid grounds, the plaintiff acts in good faith, and is a shareholder in the company at the time of filing the lawsuit.
- 3- To file the lawsuit referred to in Paragraph (2) of this Article; the members of its board of directors must be notified of the intention to file the lawsuit (fourteen) days, at least, before the date of filing it.
- 4- A shareholder may file his / her private or personal lawsuit against the members of the Board of Directors if the mistake they made may cause him / her a personal damage.

#### **Article No. (43):**

#### **Termination of the Company:**

The company shall be terminated due to one of the termination reasons mentioned in Article 243 of the Companies Law. Upon termination, the company enters the liquidation phase according to the provisions of Chapter 12 of the Companies Law. If the company is terminated and its assets are insufficient to cover its debts, or if it is insolvent according to the Bankruptcy Law, it is required to apply to the competent judicial authority to initiate any liquidation procedures under the Bankruptcy Law.

#### **Article No. (44):**

- 1- The company shall be subject to the applicable laws and regulations in the Kingdom of Saudi Arabia.



2- Any provision in this Articles of Association that contravenes the provisions of Companies Law shall not be deemed valid, and the provisions contained in the Companies Law will be applied to it. Everything that is not included in this contract will be subject to Companies Law and its executive regulations.

**Article No. (45):**

**Final Provisions (Publication, Enforcement and Amendment):**

These Bylaws shall be kept and published according to the provisions of the Companies Law and its implementing regulations.

Company Name: <b>Al Hassan Ghazi Ibrahim Shaker Company</b> (Listed Joint Stock Company)	Bylaws	Ministry of Commerce (Operations Department)
Commercial Registration (1010149252)	Date: 22/02/1446 H Corresponding to: 26/08/2024 G	Hoda Al-Jasser Official Seal of // Ministry of Commerce, Riyadh Branch //

- ***Published based on the resolutions of the Extraordinary General Assembly held on 19/05/2024 G.***