



## **Bylaws of Jabal Omar Development Company**

### **Listed Joint Stock Company**

#### **Chapter 1: Incorporation of the Company**

##### **Article 1: Incorporation**

Article 1: Incorporation This Company has been established as a Joint Stock Company in accordance with the provisions of Companies Law and its Implementing Regulations, and this Bylaws is updated in accordance with the provisions of the Companies Law enacted by the Royal Decree No. (M/132) dated 01/12/1443 AH, and the Company's Bylaws as follows:

##### **Article 2: Company Name:**

Jabal Omar Development Company - a Joint Stock Listed Company.

##### **Article 3: Head Office of the Company**

The Company's head office is located in Makkah, Kingdom of Saudi Arabia. The Board may open branches, offices or agencies inside or outside the Kingdom of Saudi Arabia.

##### **Article 4: Company Objectives**

The Company performs the following objectives:

- 1- Development and reconstruction of the Jabal Omar area adjacent to the Grand Mosque yard from the western side and any other regions within the Kingdom of Saudi Arabia.
- 2- Carrying out all necessary works for construction, reconstruction, maintenance, demolition and surveying works
- 3- Importing and exporting of equipment, machinery and furniture for the Company's employees.
- 4- Operating specialized training institutes in the fields of hotels and hospitality.
- 5- Securing and providing private civil security guard services.
- 6- Hotel management, operation and furnishing.
- 7- Management, operation and maintenance of commercial facilities.
- 8- Management, operation and maintenance of the Company's employees' accommodation and hotels.
- 9- Buying and selling land and real estate, dividing them and off-plan sales activities.
- 10- Management and leasing of owned or leased properties (residential).
- 11- Management and leasing of owned or leased properties (non-residential).
- 12- Real estate development of residential buildings with modern construction methods.
- 13- Real estate development of commercial buildings with modern construction methods.
- 14- General construction of residential buildings.
- 15- General construction of non-residential buildings such as schools, hospitals, hotels, etc.
- 16- Construction of prefabricated buildings on sites.



- 17- Renovations of residential and non-residential buildings.
- 18- Activities of building maintenance services.
- 19- Managing maintenance and operation operations in its buildings and facilities.
- 20- Hotels.
- 21- Restaurants with service.
- 22- Consumer commercial complexes.
- 23- Coffee shops.
- 24- Activities of contractors who provide food services.
- 25- Food and beverage retail sale in kiosks and markets.
- 26- Washing, ironing and dry cleaning of all types of clothes, including fur and textiles.
- 27- Hotel apartments.
- 28- Management of tourist accommodation facilities.
- 29- Cafeterias.
- 30- Kitchens for preparation of banquets for parties.
- 31- Providing Umrah services for pilgrims coming from outside the Kingdom.
- 32- Providing Hajj services for pilgrims coming from outside the Kingdom.
- 33- Providing services for domestic pilgrims.
- 34- Logistic services.
- 35- Marketing tourist real estate units with a timeshare system.
- 36- Real estate marketing & advertising.
- 37- Activities of travel and tourism agencies.
- 38- Contractors of subsistence in Hajj and Umrah.
- 39- Men's gyms and sports centers.
- 40- Women's gyms and sports centers.
- 41- Organizing, managing, and promoting trade exhibitions, meetings, conferences and events.
- 42- Ice cream shops.
- 43- Real estate auctions.
- 44- Owning real estate and movables necessary for holding companies.
- 45- Real estate financing.
- 46- Real estate refinancing.
- 47- Real estate brokerage.
- 48- Real estate management activities for commission.
- 49- Real estate registration services.
- 50- Real estate consultancy.



- 51- Joint real estate owners association.
- 52- Relaxation & personal care centers.
- 53- Road hotels (motels).
- 54- Heritage hotels.
- 55- Healing hotels.
- 56- Boutique Hotels.
- 57- Furnished residential units
- 58- Hotel villas.
- 59- Heritage hotel villas.
- 60- Serviced apartments.
- 61- Resorts.
- 62- Supermarkets.
- 63- Construction of roads, streets, sidewalks and road accessories.
- 64- Repair and maintenance of roads, streets, sidewalks and road supplies.
- 65- General sports construction, including playgrounds.
- 66- Care and maintenance of parks and gardens for public housing purposes.
- 67- Care and maintenance of landscapes of buildings, home gardens, roof gardens, facades of private buildings and others.
- 68- Import activities.
- 69- Export activities.
- 70- General construction of government buildings.
- 71- Construction of airports and facilities.
- 72- Construction of main water distribution stations and lines.
- 73- Repair and maintenance of water distribution stations, networks and main lines.
- 74- Repair and maintenance of sewage stations and projects, sewage networks and pumps.
- 75- Repair and maintenance of telecommunication and radar stations and towers.
- 76- Construction of electrical power plants and transformersj
- 77- Construction and establishment of telecommunications and radar stations and towers.
- 78- Museums.
- 79- Recreation centers.
- 80- Organizing entertainment events.
- 81- Operation of entertainment facilities.
- 82- Amusement parks.
- 83- Recreation centers.



- 84- Co-healthy workspace centers.
- 85- Municipal waste collection services.
- 86- Collecting materials for recycling.
- 87- Transport of non-hazardous industrial waste.
- 88- Operation and maintenance of railway facilities.
- 89- Operation and maintenance of pumping stations and pipelines.
- 90- Provision of fixed telecommunications services.
- 91- Fixed broadband.
- 92- Providing wired internet services.
- 93- Providing wired data services.
- 94- Provision of mobile telecommunications services.
- 95- Mobile broadband.
- 96- Providing wireless internet services.
- 97- Provision of wireless data services.
- 98- Provision of virtual network operator services for the Internet of Things (IoT-VNO)
- 99- Transport of municipal waste.
- 100- Road cleaning activities.
- 101- Booking and ticketing activities for sporting and entertainment events, exhibitions and conferences.
- 102- Operation of exhibition and conference centers and facilities.
- 103- Crowd management.
- 104- Operation of bus stations and cargo handling stations.
- 105- Valet parking.
- 106- Building maintenance services activities.
- 107- Operation of storage facilities for all types of goods except foodstuffs.
- 108- Shipping and dispersing services of goods in general.
- 109- Loading and unloading goods and passengers' luggage regardless of the mode of transport.
- 110- Operation of bus stations and cargo handling stations.
- 111- Photography activities.
- 112- Commercial and tourism photography activities by all means and methods of photography.
- 113- Providing marketing services on behalf of third parties.
- 114- Wholesale of construction equipment and machinery spare parts.

The Company operates in accordance with the applicable laws and with the necessary licenses issued by the competent authorities, if any.



### **Article 5: Company Duration**

The duration of the Company shall be (99) ninety-nine Gregorian years starting from the date of its registration at the Commercial Register. The term of the Company may be extended by a Resolution issued by the Extraordinary General Assembly at least one year before the end of this term.

## **Chapter 2: Capital & Shares**

### **Article 6: Capital**

The share capital of the Company amounts to (11,545,341,620) eleven billion and five hundred and forty-five million and three hundred and forty-one thousand and six hundred and twenty Saudi Riyals, divided into (1,154,534,162) one billion and one hundred and fifty-four million and five hundred and thirty-four thousand and one hundred and sixty-two shares of equal value. The nominal value of each share is (10) ten riyals, and all of the shares are in-kind and ordinary cash shares.

### **Article 7: Subscription to shares**

**First:** The founders subscribed in (470,000,000) four hundred seventy million shares as follows:

- a) (411,843,514) four hundred eleven million eight hundred forty-three thousand five hundred and fourteen in-kind shares the value of which is (4,118,435,140) four billion one hundred eighteen million four hundred thirty-five thousand one hundred and forty riyals in exchange for lands and properties that have been evaluated by the governmental Real Estate Valuation Committee signed and approved by the High Commission for the Development of Makkah Al-Mukarramah Region No. (1102/H) dated 27/12/1425 AH.
- b) (58,156,486) Fifty-eight million one hundred fifty-six thousand four hundred and eighty- six cash shares the value of which is (581,564.860) five hundred eighty-one million five hundred sixty-four thousand eight hundred and sixty riyals in the name of Makkah Construction and Development Company. This amount represents the contribution of real estate owners on the site that were evaluated according to the discretion of the Committee referred to in paragraph (a) of clause (first) of this article. These shares will be registered in the owners' names after completing their legal and statutory documents so that the completion of these documents shall not exceed a period of three years, and the Company's Board of Directors shall offer the remaining cash shares to the Ordinary General Assembly of Jabal Omar Development Company for its recommendations in this regard, in a manner that does not conflict with the provisions of Sharia and related regulations. Makkah Construction and Development Company is committed to what is set by the Ordinary General Assembly of the Company with regard to the remainder of the cash shares.

The extension has been made to the real estate owners on the site who did not complete their legal and statutory documents on whose behalf Makkah Construction and Development Company subscribed for a cash share for another additional year until their status is settled.



On March 24, 2017, the General Assembly approved the purchase of Jabal Omar Development Company for the remaining cash share of Makkah Construction Company, which it held on behalf of landlords who did not complete their legal and regular documents. This is a share representing (35,956,495) cash shares valued at SR 359,564,950 and authorizing the Board of Directors to determine the payment mechanism later.

**Second:** The remaining cash capital shares are (201,400,000) two hundred one million and four hundred thousand shares the value of which is (2,014,000,000) two billion and fourteen million riyals, and the subscriber shall pay the full value of the share, and the subscription proceeds shall be deposited in the name of the Company under incorporation with one of the banks designated for this purpose. In all cases, subscription and ownership of shares is limited to Saudis only.

**Third:** The shares of pre-emptive rights have been subscribed to (258,000,000) two hundred fifty-eight million shares the value of which is (2,580,000,000) two billion five hundred and eighty million riyals, and the subscriber shall pay the full value of the share. In all cases, the subscription to the rights of pre-emptive shares and the ownership of the shares shall be limited to Saudis only registered in the shareholders' register of the Company on the day of the third Extraordinary Assembly meeting of the Company's shareholders held on 25/06/1432 AH corresponding to 28/05/2011 AD.

**Fourth:** The Company has been issued (225,134,162) two hundred and twenty-five million and one hundred and thirty-four thousand and one hundred and sixty-two new ordinary shares with a nominal value of ten Saudi Riyals (SAR 10) to the Fund's Unitholders (excluding the Company in its capacity as a Unitholder in the Fund), in exchange for converting all debts of the Company towards the Fund (in its capacity as the creditor) - which mainly consist of the rental payments owed together with any other obligations under the Fund Documents - in the amount of five billion and three hundred and one million and two hundred and one thousand and eighty Saudi Riyals (SAR 5,301,201,080) as recorded in the Company's unaudited interim condensed consolidated financial statements for the three-month and nine-month periods ended on 30 September 2021G (including the settlement of all rights and obligations owed by the Company to the Fund and its related entities).

#### **Article 8: Sale of Non Paid-up Shares**

- 1) A Shareholder shall pay the value of the Shares on the dates set for such payment. If a Shareholder defaults in payment when it becomes due, the Board of Directors, may after notifying the shareholder by legal means of notification or any other means of notification, or by registered letter or any other modern technological means of selling the shares in the public auction or the stock market as the case may be, and pursuant to the rules specified by the competent authority.
- 2) The Company shall collect the amounts due thereto from the sale proceeds and shall return any remaining amount to the shareholder. If the sale proceeds are insufficient to cover these amounts, the Company shall have a claim on all of the shareholder's funds for the unpaid amount.
- 3) Upon expiration of the deadline for payment, the rights attached to shares that have not paid their value shall be suspended until they are sold or the due amount is paid, in accordance with the provisions outlined in paragraph (1) of this Article. Such rights shall include the right to receive a share of the net profits to be distributed, as well as the right to attend meetings and vote on matters pertaining to the company. However, a defaulting shareholder may, up to the sale date, pay the amount



due in addition to any expenses incurred by the Company in this regard, in which case the shareholder shall have the right to request the dividends to be distributed.

- 4) The Company shall cancel the certificate of the share sold in accordance with the provisions of this Article and shall provide the buyer with a new certificate bearing the same serial number. The sale shall be recorded in the shareholders register along with the particulars of the new holder.

#### **Article 9: Issuance of Shares**

The shares of joint stock companies shall be nominal. Shares may be divided into nominal shares of less value. As well, they may be combined to be issued at a higher value. In this last case, the difference in value shall be prescribed in a separate provision within shareholders' rights and it may not be distributed to shareholders as profits. The share shall not be dividable towards the Company. If a share is jointly owned by several persons, they shall elect one of them to exercise the rights attached to such a share on their behalf, but they shall be jointly liable for the obligations arising from the ownership of such a share.

#### **Article 10: Shares Trading:**

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

#### **Article 11: Trading in Shares Owned by Endowments**

In trading shares owned by endowments or wills., all applicable Sharia rules and instructions shall be notated accordingly.

#### **Article 12: Capital Increase**

- 1) The Extraordinary General Assembly may issue a resolution to increase the Company's share capital, provided that the original capital had been paid in full unless the unpaid portion relates to convertible debt instruments or sukuk that have not matured.
- 2) In all cases, the Extraordinary General Assembly may allocate all the shares issued as a result of a capital increase or part thereof to the Company and/or subsidiaries' employees provided that the shares allocated for this purpose do not exceed 0.5% of the Company's capital. Shareholders may not exercise pre-emptive rights when the Company issues shares allocated to employees.
- 3) The shareholder who owns the share - at the time of the Extraordinary General Assembly issuing the approval of the capital increase - has the pre-emptive right in subscribing for new shares issued in exchange for cash shares, and such shareholders shall be made aware of their pre-emptive right through the disclosure mechanisms of listed joint stock companies approved by the competent authorities of the resolution of the capital increase, the terms and conditions of subscription, and its start and end dates.
- 4) The Extraordinary General Assembly may suspend the Shareholders' pre-emptive right to subscribe for the capital increase against contributions in cash or may give priority to non-shareholders as it deems appropriate for the Company.





- 5) Shareholders may sell or assign the pre-emptive right during the period from the date the General Assembly resolution approving the capital increase is adopted until the last day of subscription to the new shares related to such right, in accordance with the controls set by the competent authority.
- 6) 6- Subject to paragraph (4) above, the new shares shall be distributed to holders of pre-emptive rights who requested subscription in proportionate to their pre-emptive right of the total pre-emptive rights resulting from the capital increase, provided that the shares they receive do not exceed the amount of new shares they requested. The remainder of the new shares shall be distributed to holders of pre-emptive right who requested more than their respective shares in proportionate to their pre-emptive right of the total pre-emptive rights resulting from the capital increase, provided that the shares they receive do not exceed the amount of new shares they requested. The remaining shares shall be offered to third parties, unless the Extraordinary General Assembly decides or the Capital Market Law (CML) states otherwise.

#### **Article 12: Capital Decrease**

- 1) The Extraordinary General Assembly may decide to reduce the capital if it exceeds the Company's need or if it suffers losses. In the latter case alone, the capital may be reduced below the limit set forth the Companies Law. The decision to reduce the capital may only be made following the presentation of a report by the Board of Directors during a General Assembly meeting. The statement should detail the reasons for the reduction, the Company's obligations, and the potential impact of the reduction on its ability to fulfill such obligations, taking into account the provisions of the Companies Law. In addition, a report from the Company's auditor shall be included with the report, provided the decision shall specify the method of reduction.
- 2) If capital decrease is attributed to the fact that it exceeds the Company's needs, the creditors shall be invited to present their objections to the same (if any) within forty-five (45) days prior to the date set for the Extraordinary General Assembly meeting to decide on the decrease. The invitation shall include a statement indicating the amount of capital prior to and after the decrease, the date of the meeting, and the date the decrease becomes effective. If a creditor objects to the decrease and submits supporting documents to the Company within the legally specified period, the company shall pay the debt owed to him if it is due or provide him with a sufficient guarantee if it is not due.
- 3) Equality among holders of shares of the same type and class shall be observed upon the decrease of capital.
- 4) Capital reduction shall be carried out in one of the following ways:
  - a) Cancellation of a number of shares equivalent to the amount required to be reduced.
  - b) Reduction of the nominal value of the share by canceling part of it equivalent to the loss suffered by the Company.
  - c) Reduction of nominal value of the share by returning part of it to the shareholder or by discharging him from all or part of the unpaid amount of the share value.
  - d) Company's purchase of a number of its shares equal to the amount to be decreased, and the cancellation of such shares thereafter.





#### **Article 14: Company's purchase of its shares**

The Company may buy or mortgage shares according to the rules laid down by the competent authority, and the shares purchased by the Company shall not have votes in the shareholders' assemblies. The Company may also mortgage its shares according to the rules laid down by the competent authority, and the mortgagee creditor may receive the profits and use the rights related to the shares, unless agreed otherwise in the mortgage contract. However, the mortgagee may not attend or vote in the general assembly of shareholders.

#### **Article 15: Debt Instruments and Financing Sukuk**

- 1) The Company may, in accordance with the Capital Market Law, issue debt instruments or negotiable financing Sukuk.
- 2) For the company to issue debt instruments or financing sukuk convertible into shares, a resolution shall be issued by the Extraordinary General Assembly specifying the maximum number of shares that may be issued against such instruments or Sukuk, whether such instruments or sukuk are issued simultaneously, through a series of issuances or through one or more programs for their issuance. The Board of Directors shall, without the need for new approval from this General Assembly, issue new shares in return for those instruments or Sukuk whose holders request to be transferred immediately upon the expiry of the period of the transfer request specified for the holders of such instruments or Sukuk, or upon the fulfillment of the conditions for their automatic conversion into shares or upon the lapse of the period specified for such transfer, and the Board shall take the necessary measures to amend the Company's Articles of Association with regard to the number of issued shares and the capital.
- 3) The Board of Directors shall record the completion of the procedures for each capital increase with the Commercial Register.
- 4) The Company may convert debt instruments or financing Sukuk into shares in accordance with the Capital Market Law, with the approval of the holder, whether prior approval such as being part of the terms of issuance, or by subsequent agreement.

### **Chapter 3: Board of Directors**

#### **Article 16: Company Management**

The Company shall be managed by a Board of Directors consisting of (10) Ten members, who have natural capacity, elected by the Ordinary Shareholders General Assembly for a period not exceeding four years. They may also be re-elected. The Board of directors shall appoint from among its members, in its first meeting, a chairman and a vice chairman, and it may also appoint a managing director. It is not permissible to combine the position of Chairman of the Board of Directors with any executive position in the Company. The vice-chairman of the Board of Directors shall replace the chairman of the Board of directors in his absence.

#### **Article 17: Expiration of Board Membership:**

Board membership shall expire in any of the following cases:



- 1- The expiration term of the Board.
- 2- Member resignation.
- 3- Member death.
- 4- Disqualification.
- 5- Member invalidity in accordance with the relevant laws and instructions.
- 6- Termination of the member's membership by the General Assembly (based on the recommendation of the Board of Directors) for his absence from attending three consecutive meetings or five separate meetings during his term of office without a legitimate excuse accepted by the Board of Directors.

Nevertheless, the Ordinary General Assembly may, at all times, dismiss all or some of the members of the Board of Directors without prejudice to the right of the dismissed member towards the Company to claim compensation if the dismissal occurred for an unacceptable reason or at an inappropriate time.

**Article 18: Expiry of the term of the Board of Directors, retirement of its members or vacancy of membership:**

- 1) Before the expiry of its term, the Board of Directors shall call for the Ordinary General Assembly to elect a Board of Directors for a new term. If the election cannot be held and the term of the current Board of Directors expires, its members shall continue to perform their duties until the election of a Board of Directors for a new term, provided that the term of office of the members of the outgoing Board does not exceed the term specified in the Implementing Regulations of the Companies Law.
- 2) If the Chairman and members of the Board of Directors retire, they shall call for the Ordinary General Assembly to elect a new Board of Directors, and the retirement shall not apply until the election of the new Board, provided that the continued term of the retiring Board shall not exceed the term specified in the Implementing Regulations of the Companies Law.
- 3) A Board of Directors member may retire from their position by providing written notice to the Chairman of the Board. In the event that the Chairman retires, the notice should be addressed to the remaining members of the Board as well as the Board Secretary. The retirement shall, in both cases, become effective from the date specified in the notice.
- 4) In the event that a member of the Board of Directors passes away or retires, and the resulting vacancy does not cause the Board to fall below the minimum number of members required for a valid meeting, the Board has the option to appoint a qualified individual to temporarily fill the vacant position. However, the Board must notify the Commercial Register and the Capital Market Authority of the appointment within 15 days, and the appointment must be presented to the Ordinary General Assembly at its first meeting. The appointed member will serve for the remainder of their predecessor's term. The seat may remain vacant until the end of the session or the General Assembly may be invited to appoint a member to the vacant seat.



- 5) If the Board of Directors fails to convene due to not satisfying the minimum number of members as prescribed in the Companies Law or these Articles of Association, the existing members shall call for the Ordinary General Assembly within sixty (60) days to elect the required number of members.

#### **Article 19: Powers of the Board**

Subject to the competencies prescribed for the General Assembly:

- a) The Board of Directors shall have the broadest powers in managing the company, conducting its affairs, and disposing of its assets, properties and real estate without obtaining the approval of the General Assembly. In the event that the Board of Directors decides to sell assets of the company exceeding (fifty percent) of the total value of its assets, whether the sale is made through one transaction or several transactions, the Board of Directors shall in this case be required to obtain the approval of the General Assembly to sign that sale or disposal. In this case, the transaction that leads to exceeding the percentage (fifty percent) of the value of the assets is the transaction that requires the approval of the General Assembly. This percentage shall be calculated from the date of the first transaction made during the preceding (twelve) months. The Board of Directors shall also have the power to contract, commit and engage on behalf of and in the name of the Company, and shall have the right to purchase, accept and pay the price, mortgage, release the mortgage, sell, convey, receive the price, deliver the consideration. It also has the power to carry out all acts and disposals that serve the purposes of the Company, sign all necessary documents and contracts.
- b) The Board of Directors may obtain loans and facilities of all kinds and sign all their contracts and documents. The Board may also arrange for the restructuring of financing, investment and securities and sign all their contracts and documents.
- c) The Board of Directors, in a manner that does not contradict the Sharia provisions for debts, may issue financial instruments and debt instruments and trade them.
- d) The Board of Directors may invest in the Company's funds in securities of all kinds, including, but not limited to - opening accounts and investment portfolios with financial companies, operating and closing them, and signing all contracts and documents related to that. The Board of Directors shall have the right to reconcile, assign, and absolve the debtors of the Company from their obligations.
- e) The Board of Directors may delegate one or more of its members or any third party to carry out a specific business or actions within the authorities of the Board of directors.
- f) The Board of Directors shall have the power to appoint a CEO of the Company and grant him the powers that enable him to conduct the business of the Company.

#### **Article 20: Remuneration for Board Members**

A certain amount shall be distributed as an annual remuneration to the members of the Board of Directors, according to the rules set by the competent authority.

The Board of Directors' report to the Ordinary General Assembly shall contain a comprehensive statement of all of what the directors received during the financial year, including remunerations, allowances for expenses and other benefits. The said report shall also contain a statement of what the Board members received in their capacity as employees or managers, or what they received in return for technical,



administrative or consultative services. It shall also contain a statement of the number of Board meetings and the number of meetings attended by each member from the date of the last meeting of the General Assembly.

#### **Article 21: Powers of the Chairman, Vice Chairman, Managing Director, and Board Secretary**

The Chairman has the authority to invite and chair the Board meeting and the General Assembly meetings of the shareholders. The chairman of the Board may represent the Company in its relationship with others, government departments, companies, individuals, courts, notaries, all judicial authorities, arbitration bodies, chambers of commerce and industry, commercial banks, and persons authorized to practice securities business.

He may also sign mortgage contracts, documents and instruments for the sale and purchase of lands and buildings, issue powers of attorney on behalf of the Company, make reconciliation and approval on behalf of the Company, establish companies wholly owned by the Company, own shares and bonds in the name of the Company in other existing companies or merge with them, and involve the Company with others in establishing joint stock or limited liability companies, provided that the percentage of the Company's ownership or its share in establishing new companies or participating in other companies does not exceed 10 million Saudi riyals.

He may also open bank accounts of all kinds, manage and operate them, withdraw, deposit, receive, pay and transfer, request account statements to be extracted and received, update data and activate accounts, settle, liquidate and close accounts, extract check books and receive them, issue and cancel bank checks, lend checks, issue certified checks and receive them, sign and receive certified checks. He is also entitled to sign all commercial documents related to facilities and loans, such as their contracts, forms, undertakings, schedules of payment, receipt and disposition thereof, request for exemption from facilities and loans, request for issuance of bank guarantees, opening various documentary credits, signing, accepting and requesting various guarantees, signing commercial papers, endorsing them, collecting, paying and assigning them, and linking deposits as well as endorsement of checks, signing Islamic Murabaha agreements and investment contracts of all kinds, signing agreements, business and treasury products, signing all papers, documents,, all banking transactions and other financial agreements, and signing the electronic transactions agreement for all of the Company's various current and investment accounts including current accounts and other types of accounts.

The chairman has the right to delegate or authorize others to carry out some of the powers entrusted to him according to a written resolution, authorization or special POA, for a specific period, and he has the right make agents delegate others.

The Board of Directors shall appoint a managing director or a CEO for the Company. The Managing Director or CEO shall exercise the powers that the Board of Directors assigns to him and shall implement the directives that may be issued by the Chairman of the Board of Directors and conduct the day-to-day business of the Company. The Board of Directors shall determine the special remuneration that each of the Chairman and Managing Director shall receive in addition to the remuneration determined for each member of the Board of Directors in accordance with Article (twenty) of this AOA and in accordance with the applicable regulations in this regard.



The Board of Directors shall appoint a secretary from among its members or from others and is responsible for writing the facts and resolutions of the Board of directors in minutes and recording them in a special register prepared for this purpose. His remuneration shall be determined by a resolution of the Board, and the term of the Chairman, Managing Director and Secretary of the Board of Directors shall not exceed the membership of each of them in the Board, and they may be re-elected.

#### **Article 22: Board Meetings**

- 1) The Board shall meet at least four times a year at the invitation of its Chairman, and the Chairman of the Board shall invite the Council to a meeting whenever requested to do so by any member of the Board to discuss any or more topics.
- 2) The Board shall determine the venue of its meetings, which may be held remotely through means of modern technology.

#### **Article 23: Board Meeting and Resolutions**

A Board meeting is not valid unless is attended by at least (half) of the members by themselves or through modern technology. A member of the Board of directors may delegate other members to attend the meeting of the Board of directors according to the following rules:

- 1) A member of the Board of Directors may not represent more than one member in attending the same meeting.
- 2) The delegation shall be in writing to attend a specific meeting of the Board of Directors.
- 3) The delegate may not vote on the resolutions on which the law prohibits the delegate from voting on it.
- 4) The resolutions of the Board are issued by the majority of the opinions of the attendees or representatives, and in case of a ties; the chairman shall have the casting vote.
- 5) The resolution of the Board of Directors shall be effective from the date of its issuance, unless it stipulates that it shall take effect at another time or when certain conditions are met.

#### **Article 24: Board Deliberations:**

- 1) Deliberations and resolutions of the Board shall be documented in minutes to be prepared by the Secretary and signed by the Chairman of the Board, the Board members attending the meeting and the Secretary.
- 2) The minutes of meeting shall be maintained in a special record to be signed by the Chairman and Secretary of the Board.
- 3) Modern technology may be used to sign and record deliberations and decisions and record minutes.

#### **Article 25: Issuing decisions of the Board in urgent matters.**

The Board of Directors may issue decisions on urgent matters by presenting them to all members separately by circulation, unless one of the members requests in writing the meeting of the Board for deliberation, and such decisions shall be issued with the approval of the majority of the votes of its



members, and these decisions shall be presented to the Board at its first subsequent meeting to be recorded in the minutes of that meeting.

#### **Chapter 4: Shareholders Assembly**

##### **Article 26: General Assembly Meeting of Shareholders**

- 1) The Shareholders General Assembly meeting shall be chaired by the Chairman of the Board or, in his absence, the Vice Chairman, or a person to be designated by the Board from among its members in the case of the absence of the Chairman and his Vice Chairman. Failing so, the General Assembly meeting shall be chaired by the person designated by the shareholders, whether he is a member of the Board of Directors or not, through voting.
- 2) Every shareholder shall have the right to attend the General Assembly meeting, and may delegate another person other than a member of the Board of Directors on his behalf.
- 3) The General Assembly meeting may be held and the shareholder may participate in the deliberations and vote on resolutions by means of modern technology.

##### **Article 27: Invitation to Assembly Meetings**

- 1) The General Assembly shall be convened by the invitation of the Board of Directors. The Board of Directors is required to convene the Ordinary General Assembly within thirty days from the date of a request made by the auditor or by one or more shareholders who collectively represent at least ten percent of the shares of the Company with voting rights. If the Board fails to issue an invitation within thirty days of the auditor's request, the auditor may invite the Ordinary General Assembly to convene.
- 2) The request referred to in paragraph (1) of this Article shall indicate the items on which the shareholders are required to vote.
- 3) The invitation of the assembly meeting shall be made at least twenty-one (21) days prior to the date set for the meeting in accordance with the provisions of the Law, provided that:
  - أ) Announcing the invitation through modern technology.
  - ب) A copy of the invitation and agenda shall be sent to the Capital Market Authority.
- 4) The invitation to the meeting of the Assembly shall include at least the following:
  - a) A statement regarding the right of the shareholder to attend the General Assembly meeting and their ability to delegate a non-member of the Board of Directors. It should also include a statement regarding the right of the shareholder to discuss topics on the agenda, ask questions, and how to exercise the right to vote.
  - b) Meeting venue, date, and time.
  - c) Type of assembly, whether ordinary or extraordinary.
  - d) Meeting agenda, including the items on which shareholders are required to vote.

##### **Article 28: Powers of the Ordinary General Assembly**





Except for matters reserved for the Extraordinary General Assembly, the Ordinary General Assembly shall be in charge of all matters relating to the Company, specifically the following:

- a) Electing and dismissing members of the Board of Directors.
- b) Appointing one or more auditors for the Company, as required by the Law. The General Assembly also has the authority to determine the auditor's fees, as well as to reappoint or dismiss the auditor.
- c) Reviewing and discussing the report of the Board of Directors.
- d) Reviewing and discussing the Company's financial statements.
- e) Discussing the auditor's report and taking a decision thereon.
- f) Deciding on the proposals of the Board of Directors regarding the method of distributing dividends.
- g) Forming the Company's reserves and determining their uses.

**Article 29: Competencies of the Extraordinary General Assembly:**

The Extraordinary General Assembly shall have the following competencies:

- 1) Amending the Company's Bylaws except with regard to the following matters:
  - a) Depriving a shareholder of any fundamental rights they have as a shareholder or from amending these rights. The nature of the rights related to the type or category of shares owned by the shareholder shall be taken into account, in particular the following:
    - 1- Obtaining a share of the profits to be distributed, whether in cash or through the issuance of bonus shares to non-employees of the Company and its subsidiaries.
    - 2- Obtaining a share of the Company's net assets upon liquidation.
    - 3- Attending the general Shareholders' Assemblies, participating in their deliberations and voting on their resolutions.
    - 4- Disposing of its shares except in accordance with the provisions of the Law.
    - 5- Requesting access to the company's books and documents, monitoring the work of the Board of Directors, filing a liability lawsuit against the members of the board of directors, and challenging the invalidity of the resolutions of the general Shareholders' Assemblies.
  - b) Amendments that increase the financial burdens of shareholders, unless approved by all shareholders.
- 2) Report on the continuation or dissolution of the Company.
- 3) Approval on the buy-back and disposal of the Company's shares:

The Extraordinary General Assembly, in addition to its prescribed purview, may pass resolutions on matters that are originally within the purview of the Ordinary General Assembly, subject to the same terms and conditions that apply to the Ordinary General Assembly.





### **Article 30: Powers of the Ordinary General Assembly**

The meeting of the Ordinary General Assembly shall not be valid unless attended by shareholders representing at least (a quarter) of the Company's shares that have the right to vote. If this quorum is not available at the first meeting, a call will be issued to a second meeting to be held within the thirty days following the previous meeting. This invitation shall be published in the manner described in the Companies Law. Nevertheless, the second meeting may take place an hour after the end of the period specified for the first meeting, provided that the call to hold the first meeting includes evidence indicating the possibility of holding this meeting. In all cases, the second meeting shall be valid, regardless of the number of shares that have the right to vote represented in it.

### **Article 31: Quorum for the Extraordinary General Assembly Meeting**

The meeting of the Extraordinary General Assembly shall be valid only if attended by Shareholders representing at least fifty percent (50%) of the Company's shares that have the right to vote. If such a quorum cannot be attained at the first meeting, a notice for convening a second meeting shall be sent in the same conditions stipulated in the Companies Law. The second meeting may be held one hour after the end of the period specified for the first meeting, provided that the call to hold the first meeting includes evidence indicating the possibility of holding this meeting. In all cases the second meeting will be valid if attended by a number of shareholders representing at least (a quarter) of the company's shares that have the right to vote. If the necessary quorum is not met in the second meeting, an invitation to a third meeting to be held according to the same conditions stipulated in the Companies Law, and the third meeting will be valid regardless of the number of shares represented in it.

### **Article 32: Voting in Assemblies**

Every shareholder shall have a vote for every share in the General Assembly, and cumulative voting shall be used when electing members of the Board of Directors, so that the right to vote for the share may not be used more than once. The members of the Board of Directors may not participate in voting on the resolutions of the General Assembly that relate to business and contracts, in which they have a direct or indirect interest or that involve a conflict of interest.

### **Article 33: Resolutions of the Assembly**

The resolutions of the Ordinary General Assembly shall be issued with the approval of the majority of voting rights represented at the meeting.

The resolutions of the Extraordinary General Assembly shall be issued with the approval of (two-thirds) of the voting rights represented at the meeting, unless the resolution pertains to increasing or decreasing the capital, prolonging the term of the Company, dissolving it before the expiry of the period specified in its articles of association, merging it with another company, or dividing it into two or more companies. In such cases, the resolution may only be considered valid if it is issued with the approval of three-quarters of the voting rights represented at the meeting.

### **Article 34: Deliberations at the Assemblies**

Every shareholder shall have the right to discuss the matters listed in the agenda of an Ordinary General Assembly, and to address questions to the Directors and the Auditor in respect thereof. The Directors or



the Auditor shall answer Shareholders' questions to such an extent that would not jeopardize the Company's interests. If a Shareholder feels that the answer to his question is not sufficient, he may appeal to the Ordinary General Assembly whose Resolution shall be final in this respect.

#### **Article 35: Preparing the minutes of the Assembly Meeting**

A minutes shall be drawn up at the meeting of the General Assembly that shall include the number of shareholders present in person or by proxy, the number of shares held by them in person by proxy, the number of votes prescribed for them, the resolutions taken, the number of votes approved or opposed thereto, and a comprehensive summary of the debate conducted at the meeting. Following every meeting, the minutes shall be recorded in an organized manner in a special book, which shall be signed by the Chairman, the Secretary, and the vote counter.

### **Chapter 5: Auditor**

#### **Article 36: Appointment, Dismissal and Retirement of the Auditor**

- 1) The Company shall have one or more auditors from among the auditors licensed to operate in the Kingdom of Saudi Arabia. The General Assembly shall appoint the auditor(s) and determine their fees, duration of work, and scope. The auditor(s) may be reappointed. The auditor's appointment period shall not exceed the duration prescribed by law.
- 2) The Auditor may be dismissed by a resolution to be issued by the General Assembly. The Chairman of the Board of Directors shall inform the competent authority of the dismissal decision and its reasons within a period not exceeding (5) days from the date of issuance of the resolution.
- 3) The auditor may resign pursuant to a written notice submitted to the company. Auditor's assignment shall terminate from the date of submitting the resignation notice or at a later date as specified therein, without prejudice to the company's right to compensation for any damage it incurs, if justified. In the event that the auditor resigns, it shall submit a statement to the Company and the competent authority outlining the reasons for their resignation. The Board of Directors shall convene the General Assembly to review the reasons for the resignation, appoint a new auditor, and determine its fees, duration of work, and scope.

#### **Article 37: Powers of the Auditor**

The auditor may, at any time, access the Company's documents, accounting records, and supporting documents; and request data and explanations deemed necessary to verify the company's assets, liabilities, and other matters that fall within the auditor's scope of work. The Chairman of the Board of Directors shall enable the Auditor to perform his duties. If the Auditor faces any difficulty in this regard, he shall state that fact in a report to be submitted to the Board. If the Board of Directors does not facilitate the job of the Auditor, the Auditor shall ask the Board to call for a meeting of the General Assembly to convene to consider the matter. If the Board of Directors fails to call for a meeting within thirty (30) days from the date of the auditor's request, the auditor himself may call for a meeting.

### **Chapter 6: Company's Accounts and Dividends Distribution**

#### **Article 38: Fiscal Year**



The Company's financial year starts on the 1st of January 1st and ends on the 31st of December each calendar year.

#### **Article 39: Financial documents**

- 1) The Board of Directors shall prepare the Company's financial statements at the end of each financial year together with a report of its activities and financial position for the preceding financial year. This report shall include the proposed method for distributing profits. The Board of Directors shall place such documents at the disposition of the Auditor at least 45 (forty-five) days prior to the date set for convening the Ordinary General Assembly.
- 2) The Chairman of the Board of Directors of the Company, its Chief Executive Officer and its Chief Financial Officer, if any, shall sign the documents referred to in paragraph (1) of this Article, copies thereof shall be deposited at the Company's head office at the disposal of the shareholders.

The Chairman of the Board of Directors shall provide the shareholders with the Company's financial statements, the Board of Directors' report, and the auditor's report, unless published in any of the modern technology means, at least twenty-one days before the date specified for the annual ordinary general assembly, and he shall also deposit these documents in accordance with the Executive Regulations of the Companies Law.

#### **Article 40: Distribution of Fixed Amount as Debt to Owners of In-kind shares**

Unless the General Assembly decides otherwise, A fixed amount is distributed to the owners of real estate in-kind shares equal to the revenues their real estate used to generate, provided that the share of each of them in that amount does not exceed the equivalent of (5%) of the value of their in-kind shares in the Company's capital for each year, for a period not exceeding five years from the date of receiving the property from them after the issuance of the resolution of His Excellency the Minister of Commerce announcing the establishment of the Company.

This amount is considered an obligation on the owners of the in-kind shares, which must be redeemed, and the company may reserve part of their shares whose nominal value is equal to the value of the distributed amounts. The seizure of those shares shall be lifted if the amount is paid or deducted from the profits due to the shareholder or deducted by any other method approved by the Board of Directors.

#### **Article 41: Formation of Reserves:**

Upon determining the net profit shares, the Ordinary General Assembly may resolve to form reserves to the extent that serves the Company's interest or ensures, as far as possible, consistent distribution of dividends to shareholders. The Ordinary General Assembly may also deduct amounts from the net profits to achieve social purposes for the Company's employees.

The general assembly shall determine the proportion of net profits to be distributed among shareholders after deducting reserves (if any).

#### **Article 42: Entitlement to Dividends**

Each shareholder is entitled to its share dividends according to a resolution passed by the General Assembly in this regard. The resolution shall indicate the dates of entitlement and distribution. Eligibility



for dividends shall be for shareholders registered in the shareholders' registers at the end of the day specified for entitlement. The Board of Directors shall implement the resolution of the Ordinary General Assembly regarding the distribution of dividends to the shareholders.

#### **Chapter 7: Winding Up and Liquidation of the Company**

##### **Article 43: Winding Up of the Company**

The Company shall terminate if any of the reasons for expiry specified in Article (243) of the Companies Law occur. Upon termination, the Company shall enter the liquidation process in accordance with Title Twelve of the Companies Law. If the Company terminates, and its assets are insufficient to pay its debts or are subject to any legal trouble under the Bankruptcy Law, it shall apply to the competent judicial authority to initiate any necessary liquidation procedures under the Bankruptcy Law.

#### **Chapter 8: Final Provisions**

##### **Article 44: Applicable Laws**

1. The Company shall be subject to the laws in force in the Kingdom of Saudi Arabia.
2. Any provisions stated herein that violate the provisions of the Companies Law shall be deemed invalid and subject to the provisions contained within the Companies Law. Additionally, any matter not addressed in this Bylaws shall be governed by the Companies Law, and its Implementing Regulations.

##### **Article 45: Publication of the Law**

This Law shall be deposited and published in accordance with the provisions of the Companies Law and its Implementing Regulations.

Allah is the Arbiter of success,,,