

# The Company's Articles of Association

## SHL Finance Company Saudi Joint Stock Company

Company Name	Articles of Association	Ministry of Commerce (Shared Services Department)
SHL Finance Company (Joint Stock Company) Commercial Registration: 1010241934	The Date is 08/08/1444 H Corresponding to 28/02/2023	
Published Based on the Decisions of the Extraordinary Assembly Held on 14-02-2023.		

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

### **Article One: Incorporation:**

The company was incorporated in accordance with the provisions of the Saudi Companies Law and its regulations, and the license was issued by the General Investment Authority with No. (619/1) dated 26/04/1428, and the Finance Companies Control Law and its executive regulations, and these Articles of Association, a Saudi joint stock company in accordance with the following:

### **Article Two: Company Name:**

SHL Finance Company (Joint Stock Company).

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

The purpose of the company is to carry out real estate financing , Consumer Financing, and financing the activities of Small & Medium Establishments for individuals and corporate, in accordance with the provisions of the Companies Law, the Finance Companies Control Law and its Executive Regulations and related regulations and the rules and instructions issued by the Saudi Central Bank - The company carries out its activities in accordance with Sharia principles and with the applicable regulations and after obtaining the necessary permits from the competent authorities, if any.

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

After obtaining the Saudi Central Bank no-objection in writing, the company may have interest, or participate in any way with the institutions or companies, or establish companies on its own that carry out business similar to its business or that may assist in achieving its purposes, and it may own shares or stocks in these companies, merge or be merged in, or purchase, after fulfilling the requirements of the regulations and instructions followed in this regard.

### **Article Five: The Head Office of the Company:**

The head office of the company is located in the city of Riyadh in the Kingdom of Saudi Arabia, and it may establish branches, offices or agencies inside or outside the Kingdom by a decision of the Board of Directors after obtaining a written no-objection by the Saudi Central Bank.

### **Article Six: Term of the Company:**

The term of the company is ninety-nine (99) Gregorian years starting from the date of its registration in the Commercial Register, and it is always permissible to extend the term of the company by a decision issued by the extraordinary general assembly at least two years before the expiry of its term.

## **Chapter Two: Capital and Shares:**

### **Article Seven: Company's Capital:**

The company's capital is set at (1,000,000,000) one thousand million (one billion) Saudi riyals, divided into (100,000,000) one hundred million nominal shares of equal value, the value of each share is (10) ten Saudi riyals, all of which are ordinary cash shares.

### **Article Eight: Subscription to Shares:**

The founders subscribed to the entire capital stock amounting to (100,000,000) one hundred million cash shares, the value of which is (1,000,000,000) billion riyals whose value was paid in full, and the value was deposited in one of the licensed banks.

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**Article Nine: Preferred Shares:**

The Extraordinary General Assembly of the company may, in accordance with the principles set by the competent authority, issue preferred shares or decide to purchase them, convert ordinary shares into preferred shares, or convert preferred shares into ordinary ones. Preferred shares do not give the right to vote in the general assemblies of shareholders, and these shares entitle their owners to obtain a percentage more than ordinary shares holders of the company's net profits after setting aside the statutory reserve.

**Article Ten: Sale of Unpaid Shares:**

The shareholder is obligated to pay the value of the share on the dates specified for this, and if he fails to pay on the due date, the board of directors may, after being notified by a registered letter, sell the share in the public place or the stock market in accordance with the controls set by the competent authority.

The company shall collect the amounts due to it 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 collect the remainder from all shareholder funds.

Nevertheless, the shareholder who defaulted on payment until the day of the sale may pay the value due from him in addition to the expenses incurred by the company in this regard.

The company cancels the sold share in accordance with the provisions of this article, gives the buyer a new share bearing the number of the canceled share, and indicates in the shares register that the sale took place with the name of the new owner.

**Article Eleven: Issuance of Shares:**

The shares are nominal and may not be issued for less than their nominal value. Rather, they may be issued for a higher value than this value. In this last case, the difference in value is added in a separate item within the shareholders' equity. It may not be distributed as dividends to shareholders. The share is indivisible. If the share is owned by multiple persons, they must choose one of them to represent them in the use of the rights related to it, and these persons are jointly responsible for the obligations arising from the ownership of the share.

**Article Twelve: Trading in Shares:**

The shares subscribed by the founders may not be traded until after the financial statements have been published for two fiscal years, each of which is not less than twelve months from the date of the company's incorporation. The bonds of these shares shall be marked with an indication of their type, date of incorporation of the company, and the period during which trading is prohibited.

However, during the prohibition period, the ownership of shares may be transferred in accordance with the provisions of the sale of rights from one of the founders to another founder or from the heirs of one of the founders in the event of one's death to third parties or in the event of execution on the funds of the insolvent or bankrupt founder, provided that the priority of owning those shares is given to the other founders.

The provisions of this article shall apply to what the founders subscribe to in the event of an increase in the capital before the expiry of the prohibition period. In all cases, the founding shares may not be disposed of except after obtaining a no-objection by the Saudi Central Bank in writing, in accordance with the provisions of Article 8 of the Finance Companies Control Law.

**Article Thirteen: Register of Shareholders:**

Without prejudice to the provisions of Article (Eighth) of the Finance Companies Control Law, and the third paragraph of Article (Ten) of the Executive Regulations of the Finance Companies Control Law, the company's shares shall be traded for registration in the shareholders register prepared or contracted by the company, which includes the names of the shareholders Their nationalities, places of residence, professions, share numbers and the amount paid out, and this entry is indicated on the share. The transfer of the nominal share

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ownership against the company or third parties shall not be considered valid except from the date of entry in the mentioned register.

**Article Fourteen: Capital Increase:**

- 1- The Extraordinary General Assembly may, after obtaining the prior written no-objection of the Saudi Central Bank and with the approval of the competent authorities, decide to increase the capital of the company, provided that the capital has been paid in full. The capital is not required to have been 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 expired.
- 2- The Extraordinary General Assembly may, in all cases, allocate the shares issued upon the capital increase, or part thereof, to the employees of the company and its subsidiaries or some of them, or any of that. Shareholders may not exercise the right of priority when the company issues the shares allocated to employees.
- 3- The shareholder who owns the share at the time of the issuance of the extraordinary general assembly decision approving the capital increase has priority in subscribing to the new shares issued in exchange for cash shares. Such shareholders shall be notified of the priority granted to them by publishing in a daily newspaper or informing them by registered mail of the decision to increase the capital, the terms of subscription, its duration and the date of its start and end.
- 4- The Extraordinary General Assembly has the right to suspend the priority right of the shareholders to subscribe to the capital increase in exchange for cash shares or to give priority to non-shareholders in the cases it deems appropriate for the interest of the company.
- 5- The shareholder has the right to sell or assign the pre-emptive rights during the period from the time of the issuance of the General Assembly's decision approving the capital increase until the last day for subscribing to the new shares associated with these rights, in accordance with the regulations set by the competent authority.
- 6- Taking into account what was stated in paragraph (4) above, the new shares shall be distributed to the pre-emptive rights holders who requested subscription, in proportion to their pre-emptive rights out of the total pre-emptive rights resulting from the capital increase, provided that what they receive does not exceed the shares they requested. The remainder of the new shares shall be distributed to the pre-emptive rights holders who have requested more than their share, in proportion to their pre-emptive rights out of the total pre-emptive rights resulting from the capital increase, provided that what they receive does not exceed what they requested of the new shares. The remainder of the shares shall be offered to third parties, unless the Extraordinary General Assembly decides or the financial market system stipulates otherwise.

**Article Fifteen: Capital Reduction:**

The Extraordinary General Assembly, based on acceptable justifications, and after obtaining the prior no-objection of the Saudi Central Bank in writing and after the approval of the competent authorities, may decide to reduce the capital if it exceeds the company's need or if it suffers losses. The reduction decision shall not be issued except after reading a special report prepared by the auditor on the reasons for it, the obligations of the company, and the effect of the reduction in these obligations.

If the reduction of the capital is a result of it being more than the company's need, the creditors must be invited to express their objections to it within sixty days from the date of publishing the reduction decision in a daily newspaper distributed in the area in which the company's head office is located. If one of the creditors objects and submits his documents to the company on the aforementioned date, the company must pay him his debt if it is due, or provide him with a sufficient guarantee to pay it if it is due.

**Article Sixteen: The Company's Purchase, Sale and Pledge of its Shares:**

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After obtaining the approval of the Saudi Central Bank and with the approval of the Extraordinary General Assembly, the company may purchase or mortgage its shares in accordance with the regulations set by the competent authority. In accordance with the regulations issued by the competent authority, the company may also, with the approval of the board of directors and in a manner that does not conflict with the decision of the extraordinary general assembly approving the purchase of those shares, sell treasury shares in one phase or Several stages according to the controls set by the competent authority.

### **Chapter Three: Sukuk and Bonds:**

#### **Article Seventeen: Sukuk and Bonds:**

The company may issue loans held by sukuk and bonds in compliance with Sharia standards of equal value, negotiable and indivisible in accordance with the provisions of the Companies Law, and after obtaining the approval of the Saudi Central Bank.

### **Chapter Four: The Board of Directors:**

#### **Article Eighteen: Company Management:**

1. The company is managed by a board of directors consisting of (11) eleven members elected by the ordinary general assembly of shareholders for a period not exceeding three years and after fulfilling the suitability requirements determined by the Central Bank of Saudi Arabia and obtaining no objection letter.

Each shareholder has the right to nominate himself or one or more other persons for membership in the Board of Directors, within the limits of his ownership percentage in the capital.

2. Each shareholder has the right to nominate himself or one or more other persons for membership in the Board of Directors, within the limits of his ownership percentage in the capital.

#### **Article Nineteen: Termination of Board Membership:**

The membership of the Board shall terminate upon the expiry of its term or upon the expiry of the member's eligibility for it in accordance with any system, regulation, rule or instructions in force in the Kingdom. Board membership shall also terminate by resignation or death, or if it is proven to the Board of Directors that the member has breached his duties in a way that harms the interest of the company, provided that this is accompanied by the approval of the Ordinary General Assembly Or if he fails to attend more than three consecutive sessions without an excuse accepted by the Board of Directors, or if he is declared bankrupt or insolvent, or submits an application for settlement with his creditors, or stops paying his debts, suffers from a mental illness, or if it is proven that he committed an act of dishonesty and morals, or he was convicted Nevertheless, the ordinary general assembly may at any time 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. Otherwise, he shall be liable before the company for the damages resulting from the retirement.

#### **Article Twenty: Vacant Position in the Board of Directors:**

After fulfilling the suitability requirements determined by the Saudi Central Bank and obtaining a letter from it stating it's no objection, if the position of a member of the Board of Directors becomes vacant, the Board may appoint a temporary member in the vacant position according to their estimation, provided that he is one of those who have experience and competence, and inform to the Ministry within five working days from the date of appointment, and the appointment is presented to the Ordinary General Assembly in its first meeting, and the new member completes the term of his predecessor. If the necessary conditions for the meeting of

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the Board of Directors are not met due to the number of its members being less than the minimum stipulated in Article (18) of this bylaw, the rest of the members must invite the ordinary general assembly to convene within sixty days to elect the necessary number of members.

**Article Twenty-One: Powers of the Board:**

In a manner that does not conflict with what is stated in the financing systems and its executive regulations and with due regard to the powers established for the general assembly, the Board of Directors shall have the widest powers in managing the company in order to achieve its purposes and manage its affairs. Mortgage, release of mortgage, sale, emptying, receipt of the price, delivery of the price, consolidation and sorting of property and sukuk, provided that with regard to the sale of the company’s real estate, the minutes of the Board of Directors and the rationale for its decision to act must include observance of the following conditions:

1. The board should specify in the sale decision the reasons and justifications for it.
2. That the sale be close to the same price.
3. The sale must be completed in the presence, except in the cases decided by the council and with sufficient guarantees.
4. This action shall not result in the suspension of some of the company’s activities or the imposition of other obligations on it.

The board of directors may also contract loans with government financing funds and institutions, regardless of their term, and may contract commercial loans, taking into account the following conditions for contracting loans whose terms exceed three years:

1. That the Board of Directors specify in its decision the aspects of using the loan and how to repay it.
2. To take into account in the terms of the loan and the guarantees provided to it, not to harm the company, its shareholders, and the general guarantees of the creditors.

The Board of Directors shall also have the right of compromise, assignment, contract, commitment and association in the name and on behalf of the company, and the Board of Directors has the right to carry out all acts and actions that would achieve the objectives of the company.

The company’s board of directors, in the cases it deems appropriate, shall have the right to discharge the company’s debtors from their obligations in accordance with what serves its interest, provided that the minutes of the board of directors include the rationale for its decision and the following conditions are observed:

1. The release shall be at least one full year after the origin of the debt.
2. The release shall be for a specified amount as a maximum per year for one debtor.
3. Discharge is a right of the Council, which may not be delegated.

Provided that the release is not in all cases related to the release of a member of the board of directors, shareholders or one of the parties related to the company, whether this relationship was direct or indirect.

The Board of Directors may delegate on its behalf, within the limits of its competencies, one or more of its members or third parties to take a specific action or behavior or to perform a specific act or actions.

**Article Twenty-Two: Remuneration of Board Members:**

The remuneration of the Board of Directors consists of a certain amount, certain benefits or a certain percentage of net profits or retained earnings as determined by the Board of Directors and approved by the General Assembly, in addition to an attendance allowance and a transportation allowance as determined by the Board of Directors in accordance with the regulations, decisions and instructions in force in the Kingdom of Saudi Arabia The report of the Board of Directors to the Ordinary General Assembly should include a comprehensive statement of all the Board members received during the fiscal year in terms of remuneration, expense allowance and other benefits, and also include: A statement of what the members of the Council

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received in their capacity as workers or administrators, or what they received in return for technical or administrative work or consultancy, and that it also includes a statement of the number of Council sessions and the number of sessions attended by each member from the date of the last meeting of the General Assembly.

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

After obtaining the Saudi Central Bank prior no-objection in writing and after the approval of the competent authorities, the Board of Directors shall appoint from among its members a Chairman and a Deputy Chairman. The Board may also appoint a Managing Director from among its members. The position of Chairman of the Board of Directors may be combined with any executive position in the company.

The Chairman of the Board shall have the powers that enable him to perform his task, in a manner that does not conflict with what is stated in the financing regulations and its implementing regulations, which is to represent the company and sign in its name and on its behalf before the notaries public, all official agencies, government departments, ministries, public and private bodies and institutions, individuals, companies, banks and others, and report on all affairs. The company is within the limits stipulated by this system, the company's entry as a partner in the companies and the signing of its articles of incorporation and amendment decisions of all kinds, whether by increasing or decreasing the capital or modifying the purposes or the exit of one of the partners or amending any of the articles of incorporation and liquidation of companies in which the company participates before the Ministry of Commerce and Investment, the General Investment Authority, the notary public and other relevant bodies, or opening branches, appointing and dismissing their managers, extracting and writing off commercial records, extracting licenses and signing all agreements, contracts, tenders, bids, decisions, minutes, records and bank accounts And the authority to acknowledge or borrow any amount whatsoever, open and close accounts, withdraw and deposit, and open credits. He also has the right to defend the company, litigation, plead, request control and say it, appoint arbitrators, return them and experts and dismiss them, represent the company before them and in any lawsuits filed by or against the company, and file and hear cases before all Sharia courts, execution courts, the Board of Grievances, and all judicial and administrative bodies of various degrees and titles, and dispute settlement committees. Banking and finance offices, labor offices and bodies for settling labor disputes of various degrees and proving every right of the company. He also has the right to contract with lawyers and determine their fees according to what he sees as the interest of the company and submit and accept memoranda, litigation and response, request oath, reconciliation, clearance, accept judgments and decisions, object to them, appeal, distinguish and request their implementation. Handing over and receiving all papers, transactions, judgments, decisions, all documents and registration certificates in the Commercial Register and signing all that is necessary in the name and on behalf of the company. He also has the right to buy and sell shares and shares in the companies in which the company participates, receive its profits and sign on that and accept the shares assigned in favor of the company or partners and waive Shares belonging to the company in For companies in which it participates, as well as the right to sell, buy, empty, accept and receive the price, deliver the appraiser, take possession of the mortgage and redeem it, extract the sukuk on all the company's property and prove what must be proven and sign on behalf of the company in this regard and request the amendment of the sukuk with their limits, areas, deletion and addition to them, and has the right to: Investing the company's funds and operating them in the local and international financial markets. He also has the right to sign on all of the above and to delegate to others in all or some of the aforementioned powers, and he has the right to grant others the right to delegate to others.

The board of directors appoints a secretary to be chosen by it from among its members or from others, who is responsible for recording the minutes of the board of directors' meetings, recording and keeping the decisions issued by these meetings, in addition to exercising other powers assigned to it by the board of directors. A member of the board of directors shall serve the term of their membership in the board, not exceeding the

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terms of Chairman, Vice Chairman, Managing Director, and Secretary and they may be re-elected and the board may dismiss them or any of them at any time without prejudice to the right of the dismissed person to be compensated if the dismissal occurred for an unlawful reason or at an inappropriate time.

The remuneration obtained by the chairman of the board or the managing director, if any, shall be as determined by the board of directors, provided that the remuneration amount for each of them does not exceed (500,000) riyals annually.

**Article Twenty-Four: Board Meetings:**

The Board of Directors meets at least four times a year at the invitation of its Chairman. The invitation shall be in writing and may be sent by registered mail, fax or e-mail (7) seven days prior to the date specified for the meeting. The Chairman of the Board shall invite the Board to a meeting whenever requested to do so by two members.

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

The meeting of the Board shall not be valid unless attended by at least seven members personally or by proxy, provided that the number of those present shall not be less than five members. A member of the Board of Directors may delegate other members to attend the Board's meetings 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 representation should be fixed in writing, and with regard to a specific meeting.

**C.** The representative may not vote on decisions that the system prohibits the authorizer from voting on.

Subject to what is stated otherwise in this bylaw, the decisions of the Board of Directors are issued by a majority of at least (7) seven members who are personally present or represented therein and who have the right to vote on the subject at hand. When the opinions are equal, the side with which the chairperson voted does not prevail. A member of the board of directors may participate in any meeting by phone, by video conference, or by any similar electronic means through which all members of the board of directors can communicate through it at the same time. Such participation is considered attendance at the meeting, and the board to issue decisions by voting on them by passing, unless one of the members requests in writing to hold a meeting to deliberate in them, in which case these decisions are presented to the Board of Directors in the first following meeting. Each member of the board of directors who has a direct or indirect personal interest in any matter or proposal presented to the board or the sub-committees must inform the board or the committee of the nature of his interest in the matter presented, and he must - without excluding him from the number necessary for the validity of the meeting - to refrain from: Participation in deliberations and voting in the council or committee in relation to the matter or proposal.

**Article Twenty-Six: Board's Deliberations:**

The deliberations and decisions of the Board of Directors shall be recorded in minutes signed by the Chairman of the Board, the members of the Board of Directors present and the Secretary. These minutes shall be recorded in a special register signed by the Chairman of the Board of Directors and the Secretary.

**Chapter Five: Shareholders' Assemblies:**

**Article Twenty-Seven: Attending Assemblies:**

Each shareholder has the right to attend the General Assembly of shareholders, and for this he may delegate another person who is not a member of the board of directors or the company's employees to attend the general assembly. The

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Ministry of Commerce and Investment and the Saudi Central Bank may delegate one or more delegates to attend the general assemblies as observers.

**Article Twenty-Eight: The Constituent Assembly:**

The founders call all the subscribers to hold a Constituent Assembly within forty-five days from the date of the Ministry's decision to authorize the establishment of the company, and for the meeting to be valid, the presence of a number of subscribers representing at least half of the capital is required. If this quorum is not available, an invitation is sent to a second meeting to be held at least fifteen days after the invitation was sent to it.

In all cases, the second meeting shall be valid regardless of the number of subscribers represented in it.

**Article Twenty-Nine: Functions of the Constituent Assembly:**

The Constituent Assembly is concerned with the matters mentioned in Article (63) of the Companies Law, in a manner that does not conflict with the financing regulations, their implementing regulations, and the relevant regulations and instructions.

**Article Thirty: Functions of the Ordinary General Assembly:**

With the exception of the matters of the Extraordinary General Assembly, the Ordinary General Assembly is concerned with all matters relating to the company, and it convenes at least once a year during the six months following the end of the company's financial health. Other ordinary general assemblies may be called whenever the need arises.

**Article Thirty-One: Functions of the Extraordinary General Assembly:**

The Extraordinary General Assembly is concerned with amending the company's articles of association, except for matters that are prohibited from amending them by law. In all cases, the approval of the Saudi Arabian Monetary Agency must be obtained in writing before any amendment to this bylaw is made. The Assembly may issue resolutions on matters originally within the competences of the Ordinary General Assembly, under the same terms and conditions prescribed for the Ordinary General Assembly.

**Article Thirty-Two: Invitation to the General Assemblies:**

Shareholders' general assemblies are convened at the invitation of the Board of Directors. The Board of Directors shall invite the Ordinary General Assembly to convene if it is requested by the Assemblies Controller, the Audit Committee, or a number of shareholders representing at least five percent (5%) of the capital. The auditor may invite the general assembly to convene if the board does not invite the assembly within thirty days from the date of the auditor's request. The invitation to convene the general assembly shall be published in a daily newspaper distributed in the area in which the company's head office is located, at least twenty-one days before the date set for the meeting. Nevertheless, it may be sufficient to send the invitation on the aforementioned date to all shareholders by registered letters. A copy of the invitation and the agenda shall be sent to the Ministry, the Central Bank and the Capital Market Authority within the period specified for publication.

**Article Thirty-Three: Record of Attendance at Assemblies:**

A list shall be drawn up one hour before the assembly is convened and until the time specified for the Assembly, with the names of the shareholders present and represented, and their places of residence, indicating the number of shares they hold in person or by proxy, and the number of votes allocated to them. Everyone with an interest has access to this list.

**Article Thirty-Four: Quorum of the Ordinary General Assembly Meeting:**

1. The meeting of the Ordinary General Assembly shall not be valid unless attended by shareholders representing at least a quarter of the capital. If the quorum necessary to hold the Ordinary General Assembly meeting in accordance with paragraph (1) of this article is not present, an invitation is sent to a second meeting to be held within the thirty days following the previous meeting, and this invitation shall be published in the manner stipulated in Article (Thirty Two) of this bylaw; However, the second meeting may be held an hour after the end of the period specified for convening the first meeting, provided that the invitation to hold the first meeting includes an announcement of the possibility of holding this meeting.

In all cases, the second meeting shall be valid regardless of the number of shares represented therein.

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

1. The Extraordinary General Assembly meeting shall not be valid unless attended by shareholders representing half of the capital.

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2. If the quorum necessary to hold the Extraordinary General Assembly meeting in accordance with Paragraph (1) of this Article is not available, an invitation is sent to a second meeting to be held in the same conditions stipulated in Article (32) of this Bylaw; Nevertheless, the immediate meeting may be held an hour after the end of the period specified for convening the first meeting, provided that the invitation to hold the first meeting includes an announcement of the possibility of holding this meeting. In all cases, the second meeting shall be valid if attended by a number of shareholders representing a quarter of the capital. the least.
3. If the necessary quorum is not present in the second meeting, an invitation is sent to a third meeting to be held in the same conditions stipulated in Article (Thirty-Second) of this bylaw, and the third meeting shall be valid regardless of the number of shares represented therein, after approval of the competent authority.

**Article Thirty-Six: Voting in the Assemblies:**

Each subscriber has a vote for every share he represents in the constituent assembly, and every shareholder has a vote for each share in the general assemblies, and the cumulative vote must be used to elect the board of directors.

**Article Thirty-Seven: Decisions of the Assemblies:**

Decisions in the Constituent Assembly are issued by an absolute majority of the shares represented in it, and the decisions of the Ordinary General Assembly are issued by an absolute majority of the shares represented in the meeting, and the decisions of the Extraordinary General Assembly are issued by a two-thirds majority of the shares represented in the meeting, unless it is a decision related to increasing or decreasing the capital or extending the company’s term or by dissolving it before the expiry of the period specified in its articles of association or by merging it with another company, it shall not be valid unless it is issued by a majority of three quarters of the shares represented at the meeting, and the decision shall not be effective until after obtaining the approval of the Saudi Central Bank.

**Article Thirty-Eight: Discussion in the Assemblies:**

Each shareholder has the right to discuss the topics listed on the Assembly’s 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 does not jeopardize the company’s interest. If the shareholder deems that the answer to his question is not convincing, he shall appeal to the assembly, and its decision in this regard shall be enforceable.

**Article Thirty-Nine: Presiding over Assemblies and Preparing Minutes:**

The meetings of the general assemblies of shareholders are chaired by the Chairman of the Board of Directors or his deputy in his absence, or whoever is delegated by the board of directors from among its members for that in the absence of the chairman and his deputy.

Minutes of the meeting of the Assembly shall be drawn up containing the number of shareholders present or represented, the number of shares they hold in person or by proxy, the number of votes assigned to them, the decisions taken, the number of votes approving or disapproving of them, and an adequate summary of the discussions that took place at the meeting.

Minutes are recorded on a regular basis after each meeting in a special register signed by the association’s Chairman, Secretary and Vote Collector.

**Chapter Six: Audit Committee:**

**Article Forty: Formation of Committee:**

By a decision of the General Assembly, an Audit Committee shall be formed whose members shall not be less than three and not more than five members either from the Shareholders or not all shall be none executive Board members and shall consist of at least independent member and shall also be Chaired by an independent member, and the majority of its members shall be none Board members, after fulfilling the suitability requirements determined by the Saudi Central Bank and obtaining a none objection letter, and regarding its tasks, the quantity of its work, the rules for selecting its members, their remuneration and the term of their

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membership, and the mechanism of nomination in case of membership vacancy a Charter approved by the company's General Assembly based on the proposal of the Board of Directors.

**Article Forty-One: Quorum of Committee Meeting:**

For a meeting of the Audit Committee to be valid, the attendance of the majority of its members is required, and its decisions are issued by the majority of the votes of those present.

**Article Forty-Two: The Committee's Duties:**

The Audit Committee is responsible for monitoring the company's business, and for this purpose it has the right to review its records and documents and to request any clarification or statement from the members of the Board of Directors or the Executive Management, and it may ask the Board of Directors to invite the company's General Assembly to convene if the Board of Directors obstructs its work or the company is exposed for serious damage or loss.

**Article Forty-Three: The Committee's Reports:**

The Audit Committee shall consider the company's financial statements, reports and notes submitted by the auditor, and express its views on them, if any. It shall also prepare a report on its opinion regarding the adequacy of the company's internal control systems and the other work it has undertaken that fall within the scope of its competence. The board of directors shall deposit sufficient copies of this report at the company's head office at least ten days before the date of the general assembly meeting to provide a copy of it to all shareholders who wish. The report is read during the assembly.

**Chapter Seven: Auditor:**

**Article Forty-Four: Appointment of the Auditor:**

Without prejudice to the provisions of Article (74) of the Executive Regulations of the Finance Companies Control Law, the company must have one or more auditors from among the auditors licensed to work in the Kingdom, to be appointed annually by the Ordinary General Assembly, and to determine his remuneration and term of work, and it may reappoint him. The association may also at any time change it without prejudice to its right to compensation if the change occurred at an inappropriate time or for an illegal reason.

**Article Forty-Five: Powers of the Auditor:**

The auditor at any time has the right to review the company's books, records and other documents, and he also has the right to request data and clarifications that he deems necessary to obtain, in order to verify the company's assets and obligations and other things that fall 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 prove this in a report submitted to the Board of Directors. If the board does not facilitate the work of the auditor, it must request the board of directors to invite the ordinary general assembly to look into the matter and explain what it has discovered of violations of the provisions of the Companies Law, the Finance Companies Control Law, its executive committee, the relevant regulations, the provisions of this system or the rules The instructions issued by the Saudi Central Bank, and his opinion on the extent to which the company's accounts conform to reality.

**Chapter Eight: Company Accounts and Profit Distribution:**

**Article Forty-Six: The Fiscal Year:**

The company's financial health begins on the first of January and ends at the end of December of each Gregorian year, provided that the first financial year begins from the date of the ministerial decision announcing the company's incorporation and ends on December 31 of the year 2008 AD.

**Article Forty-Seven: Financial Documents:**

Company Name	Articles of Association	Ministry of Commerce (Shared Services Department)
SHL Finance Company (Joint Stock Company) Commercial Registration: 1010241934	The Date is 08/08/1444 H Corresponding to 28/02/2023	
Published Based on the Decisions of the Extraordinary Assembly Held on 14-02-2023.		

a. Without prejudice to the provisions of the Companies Law and the Finance Companies Control Law and its Executive Regulations, in particular Article (26) of the Executive Regulations of the Finance Companies Control Law; At the end of each company's financial year, the board of directors must prepare the company's financial statements and a report on its activity and financial position for the past fiscal year. This report includes the proposed method for distributing profits. The Board shall place these documents at the disposal of the auditor at least forty-five days before the date set for convening the General Assembly.

B. The company's board chairman, chief executive officer and financial manager must sign the documents referred to in paragraph (a) of this article. Copies of it shall be deposited at the company's head office at the shareholders' disposal at least ten days before the date set for the general assembly.

c. The Chairman of the Board of Directors shall provide the shareholders with the financial statements of the company. The report of the board of directors and the auditor's report, unless they are published in a daily newspaper distributed at the company's head office. He must also send a copy of these documents to the Ministry, at least fifteen days before the date of the General Assembly.

**Article Forty-Eight: Dividend Distribution:**

Without prejudice to the provisions of Article (26) of the Executive Regulations of the Finance Companies Control Law, the company's annual net profits shall be distributed after deducting all public expenses and other costs, including zakat and income tax, as follows:

- 1- (10%) of the net profits shall be set aside to form the statutory reserve of the company, and the Ordinary General Assembly may decide to discontinue this deduction when the said reserve reaches (30%) of the paid-up capital.
- 2- The Ordinary General Assembly, based on the proposal of the Board of Directors, may set aside an equal percentage of the net profits to form a consensual reserve and allocate it for a specific purpose or purposes decided by the General Assembly.
- 4- From the remainder thereafter - if any - a percentage not less than (1%) one percent of the company's paid-in capital shall be distributed to the shareholders.
- 5- The Ordinary General Assembly – renewable on yearly basis – delegate the Board of Directors to distribute Interim profits to the Shareholders either Simi annual or quarterly basis in accordance with the procedures and regulations issued from competent authorities.

**Article Forty-Nine: Entitlement to Profits:**

The shareholder shall be entitled to his share of the profits in accordance with the decision of the General Assembly issued in this regard. The decision shall indicate the maturity date and the date of distribution. The eligibility for profits shall be for the owners of shares registered in the shareholders' records at the end of the day specified for entitlement.

**Article Fifty: Dividends for Preferred Shares:**

- 1- If no dividends are distributed for any financial year, then no dividends may be distributed for the following years until after paying the percentage specified in accordance with the provision of Article (one hundred and fourteen) of the Companies Law for Preferred Shareholders for that year.
- 2- If the company fails to pay the specified percentage in accordance with the provisions of Article (114 of the Companies Law) of the profits for a period of three consecutive years, the Special Assembly of the owners of these shares, convened in accordance with the provisions of Article (89) of the Companies Law, may decide Either they attend the company's general assembly meetings and participate in voting, or they appoint representatives to the board of directors in proportion to the value of their shares in the capital, until the company is able to pay all the priority profits allocated to the owners of these shares for the previous years.

**Article Fifty-One: Company Losses:**

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- 1- Without prejudice to the provisions of Article (70) of the Executive Regulations of the Finance Companies Control Law. If the company's losses amount to half of the paid-up capital, at any time during the fiscal year, any official in the company or the auditor must immediately inform the Chairman of the Board of Directors, and the Chairman of the Board of Directors must inform the members of the Board immediately, and the Board of Directors must within fifteen days Whoever becomes aware of this invites the extraordinary general assembly to meet within forty-five days from the date of his becoming aware of the losses; To decide either to increase or reduce the company's capital in accordance with the provisions of the Companies Law, to the extent that the percentage of losses decreases to less than half of the paid-up capital, or to dissolve the company before the term specified in Article (sixth) of this Law.
- 2- The company is considered to be judged by the force of the companies' system if the general assembly did not meet within the period specified in paragraph (1) of this article, or if it met and was unable to issue a decision in the matter, or if it decided to increase the capital in accordance with the conditions established in this article and the subscription was not completed in each capital increase within ninety days from the issuance of the Assembly's decision to increase it.

### **Chapter Nine: Disputes:**

#### **Article Fifty-Two: Liability Lawsuit:**

Every shareholder has the right to file a liability lawsuit for the company against the members of the board of directors if the mistake made by them would cause him special damage. The shareholder may not file the aforementioned lawsuit unless the company's right to dismiss it still exists. The shareholder must inform the company of his intention to file the lawsuit.

### **Chapter Ten: Dissolution and Liquidation of the Company:**

#### **Article Fifty-Three: Term Expiry of the Company:**

Without prejudice to the provisions of Article (Twenty) of the Executive Regulations of the Financial Companies Control Law, the company, upon its expiration, enters the liquidation phase and retains the legal personality to the extent necessary for liquidation. His powers and the time period required for liquidation. The period of probatory liquidation should not exceed five years and may not be extended for more than that except by a judicial order. The authority of the company's board of directors ends with its dissolution. Nevertheless, these people remain in charge of managing the company and are considered liquidators for others until the liquidator is appointed and the shareholders' assemblies remain List during the filter period Its role is limited to exercising its competencies that do not conflict with the competencies of the liquidator.

### **Chapter Eleven: Final Provisions:**

#### **Article Fifty-Four:**

The Companies Law and its Regulations, the Finance Companies Control Law and its Executive Regulations, related regulations, and the rules and instructions issued by the Saudi Central Bank shall be applied with regard to everything that is not provided for in this system.

#### **Article Fifty-Five:**

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

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