

IN THE NAME OF ALLAH, THE MOST COMPASSIONATE, THE EVER-MERCIFUL

BYE LAWS

SAUDI MARKETING COMPANY

(FARM SUPERSTORES)

(Chapter 1)

Incorporation of the company

Article (1): Incorporation:

A Saudi joint stock company shall be incorporated in accordance with the provisions of the Companies Law and its Bylaws, as follows:

Article (2): Company name:

Saudi Marketing Company (Farm Superstores)

Article (3): The objectives of the company:

The objectives of the company are defined as follows:

1. Wholesale and retail trade in foodstuffs, household utensils, luxuries, toiletry tools, toys, clothes, fabrics, furnishings, home furniture, electrical equipment, commercial agencies, import and trade in office tools, stationery, electrical and mechanical tools, their spare parts and equipment, all kinds of detergents, fertilizers, ornamental plants, flowers and their accessories, building and decoration materials and their accessories.
2. General contracting for buildings (repair - construction - demolition - restoration).
3. Electrical and mechanical works contracting
4. Water and sewage work contracting and maintenance.
5. Management, operation and ownership of bakeries.
6. Management and operation of restaurants.
7. Management, operation and ownership of rest houses.
8. Providing cooked and uncooked catering services.
9. Contracting for maintenance work and operation of wired, electronic, electrical and telephone networks.
10. Wholesale and retail trade in food crops (vegetables - fruits - legumes).
11. Commercial agencies.
12. Establishing, operating and managing commercial and residential complexes.
13. Leisure and entertainment services (establishment, maintenance and operation of cities and recreational centers).

14. Providing marketing services for third parties.
15. Selling, buying and exploiting land and real estate for the benefit of the company.
16. Agriculture and fishing.
17. Mines and petroleum and its branches.
18. Manufacturing industries and their branches according to industrial licenses.
19. Electricity, gas, water and its branches.
20. Construction and building.
21. Transportation, storage and refrigeration.
22. Financial, business and other services.
23. Social, group and personal services.
24. Trade.
25. Information technology.
26. Security and safety.
27. Animal food and feed stores.
28. Agents selling cosmetics.
29. Wholesale and retail trade and repair of motor vehicles and motorcycles.

The company shall not conduct its activities except after obtaining the necessary licenses from the competent authorities.

Article (4): Participation and ownership in companies:

The company may establish companies on its own (with limited liability or closed joint stock, provided that the capital is not less than five million Saudi riyals). This is after fulfilling the requirements of the regulations and instructions followed in this regard. The company may also dispose of these shares or shares, provided that this does not include brokerage in their trading.

Article (5): The head office of the company:

The head office is located in the city of Dammam, and the Board of Directors may establish branches, offices or agencies for it inside or outside the Kingdom of Saudi Arabia, and it may also appoint correspondents in any entity inside or outside the Kingdom as required by the company's activity or is beneficial to it, taking into account the laws and regulations in force in the Kingdom in this regard, if any.

Article (6): Duration of the company:

The term of the company is (99) ninety-nine Hijri years starting from the date of its registration in the Commercial Register, and the term of the company may always be extended by a decision issued by the extraordinary general assembly at least one year before the expiry of its term.

(Chapter Two)

Capital and Shares

Article (7): Capital:

The company's capital is set at (450,000,000) four hundred and fifty million Saudi riyals, divided into (45,000,000) forty-five million nominal shares of equal value. The nominal value of each share is ten (10) ten Saudi riyals, all of which are ordinary cash shares.

Article (8): Subscription to the Shares:

Shareholders have subscribed to all of the company's (45,000,000) forty-five million shares, the value of which is (450,000,000) riyals four hundred and fifty million riyals.

The shareholders decide that the shares have been distributed among them and their value has been fully paid, as the entire capital of the company has already been paid.

Article (9): Preferred Shares:

The Extraordinary General Assembly of the company may, according to the principles set by the competent authority, issue preferred shares or decide to purchase them or convert ordinary shares into preference or convert preferred shares into ordinary ones. Preferred shares do not give the right to vote in general assemblies of shareholders. Obtaining a percentage greater than the ordinary stock holders of the company's net profits after setting aside the statutory reserve.

Article (10): Bonds or Sukuk:

The company may issue any type of negotiable debt instruments such as bonds or sukuk, whether in one part or several parts, or through a series of issues or under one or more programs established by the company from time to time, whether for public subscription or otherwise, inside or outside the Kingdom of Saudi Arabia, and all of that in the times, amounts and conditions approved by the company's board of directors, and it has the right to take all necessary measures for its issuance.

Article (11): Selling the Unsatisfied Shares:

The shareholder is obligated to pay the value of the share on the dates specified for this. If he fails to pay on the due date, the board of directors may, after being notified by a registered letter at his address recorded in the shareholder register, sell the share in the public auction or the stock market, as the case may be, in accordance with the regulations 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 the shareholder's money.

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 and gives the buyer a new share bearing the number of the canceled share and indicates in the shares register that the sale took place in the name of the new owner.

Article (12): Issuance of Shares:

Shares are nominal and may not be issued for less than their nominal value, but may be issued for a higher value than this value.

The share is indivisible in the face of the company. 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 the share, and these persons are jointly responsible for the obligations arising from the ownership of the share.

Article (13): Trading in Shares:

The shares subscribed by the founders may not be traded except after publishing the financial statements 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 his 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 the 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.

Article (14): Shareholders Register:

The company's shares are traded in accordance with the provisions of the Capital Market Law

Article (15): Capital Increase:

1- The Extraordinary General Assembly may decide to increase the company's capital, provided that the capital has been paid in full and it is not required that the capital has 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 did not expire after the prescribed period for converting it into shares.

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 the subsidiaries or some of them or any of that. The shareholders may not exercise the right of priority when the company issues the shares allocated to the employees.

3- The shareholder who owns the share at the time of the issuance of the extraordinary general assembly's decision approving the capital increase has priority in subscribing to the new shares

issued in exchange for cash shares, and these persons shall be informed of their priority by publication in a daily newspaper or by informing them by registered mail of the decision to increase the capital, the terms of subscription, its duration and the date of its beginning 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 waive the priority right during the period from the time of the issuance of the General Assembly's decision approving the capital increase until the last day of 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 mentioned in Paragraph (4) above, the new shares shall be distributed to the priority rights holders who requested subscription in proportion to the pre-emptive rights they own out of the total pre-emptive rights resulting from the capital increase, provided that what they obtain does not exceed what they have requested shares of the new shares, and the remainder of the new shares is distributed among pre-emptive rights holders who have requested more than their share in proportion to their pre-emptive out of the total pre-emptive rights resulting from the capital increase, provided that what they obtain does not exceed what they have requested from the new shares, and the remaining shares are offered to the third extraordinary parties, unless the general assembly approves or the financial market system stipulates other than that .

7- The General Assembly may decide to increase the capital by issuing new shares in exchange for cash or in-kind shares.

Article (16): Reducing the capital:

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 stipulated in Article (54) of the Bylaw

Companies, and the reduction decision is not issued until 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 on these obligations.

If the reduction of the capital is a result of its excess over 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 head office of the company is located. The company must pay him his debt if it is current or provide him with a sufficient guarantee to pay it if it is deferred.

(Chapter Three)

The Company Board of Directors

Article (17): Company Management:

The management of the company is assumed by a board of directors consisting of (7) seven members elected by the ordinary general assembly of shareholders for a period not exceeding (3) three years. This is within the limits of his ownership percentage in the capital, and members of the Board of Directors may be re-elected.

Article (18): 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 or instructions in force in the Kingdom. However, the Ordinary General Assembly may at any time dismiss all or some of the Board members, without prejudice to the dismissed member's right towards the company to claim compensation if the dismissal occurred for an unacceptable reason. or at the wrong time. A member of the board of directors may retire, provided that it is at an appropriate time, otherwise he will be liable to the company for the damages that result from his retirement.

Article (19): Vacant position in the Council:

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 the order of obtaining votes in the assembly that elected the board, provided that he is among those who have experience and competence. The ministry and the Capital Market Authority must be informed of this within (5) five working days from the date of appointment. The appointment shall be presented to the Ordinary General Assembly at its first meeting, and the new member shall complete the term of his predecessor. If the necessary conditions for the meeting of the Board of Directors are not met due to the lack of its members from the minimum stipulated in the Companies Law or this bylaw, the rest of the members must invite the Ordinary General Assembly to convene within (60) sixty days to elect the necessary number of members.

Article (20): Powers of the Council:

20-1 Subject to the competences prescribed for the General Assembly, the Board of Directors shall have the widest powers and authorities in managing the company, supervising its business and managing its affairs inside and outside the Kingdom. The Board of Directors may, for example, but not be limited to:

20-1-1 Develop an internal bylaw for his work.

20-1-2 The Chairman of the Board of Directors represents the company before the courts, arbitration bodies and others. The chairman of the council may, by a written decision, delegate some of his powers to other members of the council or to third parties in carrying out specific work or business.

20-1-3 The vice chairman of the board of directors replaces the chairman of the board of directors in his absence.

20-1-4 Opening, operating and closing bank accounts, opening documentary credits, receiving checks, issuing checks, signing receipts, clearing, discharge, declarations, bills of exchange, promissory notes, checks, all commercial papers, stock derivatives operations agreements and their attachments, and the Board of Directors may contract loans.

With government financing funds and institutions, obtaining all types of banking facilities and transactions in the name of the company and signing on its behalf all contracts of financial loans and bank facilities and the necessary documents for that.

Issuing bank guarantees of all kinds, taking into account the following conditions for contracting loans whose terms exceed three (3) years:

- a. The value of the loans that the board may contract during the company's financial year shall not exceed (75%) of the total shareholders' equity.
- b. That the board of directors specify in its decision the aspects of using the loan and how to repay it.
- c. To take into account in the terms of the loan and the guarantees provided, not to harm the company, its shareholders, and the general guarantees of the creditors.

20-1-5 Selling, buying and mortgaging the company's real estate and assets, including the company's store and its head office, provided that the following are mentioned in the minutes of the Board of Directors' meetings and decisions related to the disposal of these real estate:

- a. Reasons and justifications for selling.
- b. The selling price must be in line with the market price.
- c. The price should be payable immediately, except in cases of necessity, and the guarantees are sufficient.
- d. That these acts do not result in the suspension of the company's activities or the obligation of any other responsibility on the part of the company

20-1-6 Release the company's debtors from their obligations and debts, provided that the minutes of the Board of Directors and the rationale for its decision include observance of the following conditions:

- a. The release must be at least one full year after the debt was created.
- b. The release shall be for a specified amount as a maximum per year for one debtor.
- c. Discharge is a right of the council, which may not be delegated.

20-1-7 Providing financial support to any of the companies in which the company participates, as well as subsidiaries or sister companies, and guaranteeing credit facilities obtained by any of the companies in which the company participates, as well as subsidiaries or sister companies.

20-1-8 Approval of the company's internal, financial, administrative and technical bylaws and the policies and regulations for its employees.

20-1-9 Appointing those responsible for the management of the company with expertise and competence as deemed by the Board, and determining their duties and remunerations.

20-1-10 Delegating the executive management the authority to sign on behalf of the company within the limits of the rules set by the board of directors, appointing and dismissing employees and workers, requesting visas, recruiting manpower from outside the Kingdom, contracting with them, determining their salaries, issuing residency permits, transferring and waiving guarantees.

20-1-11 Forming some committees and entrusting them with whatever powers the council deems appropriate.

0-1-12 Approving the establishment of subsidiaries, branches, offices and agencies for the company, subscriptions and shares in any of the companies, signing its articles of incorporation, amendments and appendices, selling, buying and mortgaging all or part of the shares, shares, property rights and interests in any of the affiliated companies.

20-1-13 Approval of the company's work plan and its annual capital budget and operational plans.

20-1-14 To authorize or delegate on his behalf, within the limits of his powers, one or more of his members or third parties to carry out certain work or actions and cancel this authorization or power of attorney, in part or in whole.

Article (21) Remuneration of Board Members:

The remuneration of the Board of Directors consists of remunerations, attendance allowances, and financial or in-kind benefits, provided that they do not exceed the amount of (500,000) five hundred thousand riyals and within the limits of what is stipulated in the Companies Law and its regulations. The fiscal year includes bonuses, expense allowances and other benefits, and it should also include a statement of what the members of the council received in their capacity as workers or administrators, or what they received in return for technical or administrative work or consultancy, and it should also include 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 (22) Powers of the Chairman, Vice-Chairman, Managing Director and Secretary:

The board of directors appoints from its members a chairman and a vice-chairman, and he may appoint a managing member. It is not permissible to combine the position of the chairman of the board of directors with any other executive position in the company, and the vice-chairman of the board of directors replaces the chairman of the board of directors in his absence.

The Chairman shall have the power to invite the Board of Directors to meet and chair the Board's meetings. The Chairman of the Board of Directors shall represent the company before the courts, arbitration bodies, others, notaries, dispute settlement committees of all kinds, arbitration

bodies, civil rights, and police departments. Accepting and objecting to the provisions on behalf of the company, signing on behalf of the company, signing all types of contracts, documents and documents, including the articles of incorporation of the companies in which the company participates with all their amendments, appendices, decisions to amend and emptying and accepting the sale and purchase of shares, and signing decisions Partners and amendment appendices to buy, sell, empty and waive stakes in other companies, represent the company in attendance, sign, vote, accept positions and tasks in ordinary and extraordinary general assemblies of public or closed shareholding companies in which the company contributes, have the right to buy, sell, empty and waive shares in them, and sign contracts for real estate sales or Purchase and loan agreements with government financing funds and institutions, banks, banks, financial houses, guarantees, guarantees and mortgages, redeeming them, collecting the company's rights and paying its obligations, Selling, buying, emptying and accepting, guarantees, guarantees, mortgages, dissolving them, collecting the company's rights and paying its obligations, selling, buying, emptying and accepting it, receiving, delivering, renting, leasing, receiving and paying, entering into tenders, opening accounts, credits, withdrawals, depositing with banks, issuing bonds, checks, all commercial papers, requesting visas, and recruiting employees and workers from abroad. Residence permits, work permits, transfer and waiver of guarantees, and the Chairman of the Board of Directors may delegate and delegate to others, within the limits of his competence, the powers or to take a specific action or behavior, or to perform specific work or actions. And he has the right to revoke the authorization or power of attorney partially or completely, sign with the Companies Department at the Ministry of Commerce and Investment and the notary, make amendments, changes, additions, deletions, extracting and renewing commercial records, receiving and writing them off, and changing the names of companies.

With the exception of the power to call for meetings of the Board of Directors and to represent before banks and financial institutions, the Vice Chairman of the Board of Directors and the Managing Director (if appointed) enjoy the same powers granted to the Chairman of the Board of Directors, including the right to delegate the powers granted to them in addition to other powers determined by the Board of Directors.

The board of directors appoints a secretary to be chosen by it from its members or from others and who determines his remuneration. He 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 him by the board of directors. The membership of each of them in the Council, and they may be re-elected, and the Council at any time may dismiss them or any of them 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.

Article (23): Council meetings:

The Board of Directors meet at least twice a year at the invitation of its chairman. The invitation is in writing and may be delivered by hand or sent by mail or fax. The Chairman of the Board must call for a meeting whenever requested by two of the members.

Article (24) Board meeting quorum:

The meeting of the Board is not valid unless it is attended by (4) four 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 rules:

- a. A member of the Board of Directors may not represent more than one member in attending the same meeting.
- b. The delegation must be established in writing and in connection with a specific meeting.
- c. A representative may not vote on decisions that the system prohibits the representative from voting on.

The decisions of the Council are issued by a majority of the opinions of the members present or represented, and when the opinions are equal, the side with which the council chairman voted or whoever heads the council in his absence shall prevail.

The Board of Directors may issue resolutions by passing by presenting them to all members separately, unless one of the members requests in writing the meeting of the Board for deliberation, and these decisions are presented to the Board of Directors at its first following meeting.

Article (25): Conflicts of Interest:

It is not permissible for a member of the Board of Directors to have any direct or indirect interest in the business and contracts that are done for the company's account except with approval from the Ordinary General Assembly, to be renewed every year, with the exception of the works that take place through public tenders if the member of the Board has the best offer, and the member of the Board of Directors must to inform the Board of his personal interest, direct or indirect, in the business and contracts that are done for the company's account, and this notification is recorded in the minutes of the Board meeting. The interested member may not participate in voting on the decision issued in this regard.

Article (26): Council Deliberations:

The deliberations and decisions of the Board 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 and the Secretary.

(Chapter Four)

Shareholders' Assemblies

Article (27): Attending Assemblies:

Each subscriber, regardless of the number of his shares, has the right to attend the constituent assembly, and each shareholder has the right to attend the general assembly of shareholders, and for this he may delegate another person other than the members of the board of directors or the company's employees to attend the general assembly.

Article (28): The Constituent Assembly:

The founders invite all subscribers to hold a constituent assembly within 45 days from the date of closing the door for subscription in shares. For the meeting to be valid, the presence of a number of subscribers representing at least half of the capital is required. The invitation to the first meeting includes this. In all cases, the second meeting shall be valid regardless of the number of subscribers represented therein, and each subscriber at its meetings shall have a vote for each share subscribed to or represented.

Article (29) Functions of the Constituent Assembly:

The constituent assembly is concerned with the matters mentioned in Article 63 (sixty-three) of the Companies Law.

Article (30): The competence 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 year. Other ordinary assemblies may be called whenever the need arises.

Article (31): Competence of the Extraordinary General Assembly:

The Extraordinary General Assembly is concerned with amending the company's articles of association, with the exception of the provisions prohibited by law from amending them. In addition, the Extraordinary General Assembly may issue resolutions in matters within the competence of the Ordinary General Assembly, under the same terms and conditions prescribed for the Ordinary General Assembly.

Article (32): Invitation to Associations:

General or special assemblies of shareholders are convened at the invitation of the board of directors, and the board of directors must invite the ordinary general assembly if requested by the auditor or the audit committee or a number of shareholders representing (5%) of the capital at least. The Board shall invite the General Assembly within 30 days from the date of the auditor's request, and the invitation to convene the General Assembly shall be published in a daily newspaper distributed in the company's head office at least twenty-one days prior to the date specified for the meeting. A copy of the invitation and the agenda to the Ministry and the Capital Market Authority, within the period specified for publication.

Article (33): Attendance Record of Assemblies:

Shareholders who wish to attend the general or special assembly shall register their names at the company's head office or at the place of the assembly before the time specified for the assembly.

Article (34): Quorum of the Ordinary General Assembly Meeting:

The meeting of the Ordinary General Assembly shall not be valid unless attended by shareholders representing at least a quarter of the capital. possibility of holding this meeting.

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

Article (35): Quorum for the Extraordinary General Assembly:

The meeting of the extraordinary general assembly is not valid unless attended by shareholders representing at least half of the capital. possibility of holding this meeting.

If the necessary quorum is not available at the second meeting, an invitation is sent to a third meeting to be held in the same conditions stipulated in Article 32 of this bylaw, and the third meeting will be valid regardless of the number of shares represented therein, after the approval of the competent authority.

Article (36): Voting in Assemblies:

Each subscriber has one vote for each share he represents in the constituent assembly, and each shareholder has one vote for each share in the general assemblies

Cumulative voting shall be used to elect the Board of Directors.

Article (37): Decisions of the Associations:

Decisions in the Constituent Assembly are issued by an absolute majority of the shares represented therein, 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 term of the company or its dissolution before the expiry of the period specified in its articles of association or a merger with another company shall not be valid unless it is issued by a majority of three quarters of the shares represented in the meeting.

Article (38): Discussion in the Assemblies:

Each shareholder has the right to discuss the topics listed on the assembly's agenda, and direct questions about them to the members of the Board of Directors and the auditor. The Board of Directors or the auditor answers the shareholders' questions to the extent that does not jeopardize the company's interest. The Assembly and its decision in this regard shall be enforceable.

Article 39: Presiding over Associations 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 in the absence of the Chairman and his deputy in the absence of the Chairman and his deputy. It was taken, the number of votes it approved or disagreed with, and a complete summary of the discussions that took place in the meeting. Minutes are recorded regularly after each meeting in a special register signed by the association's president, secretary and vote collector.

(Chapter Five)

Review Committee

Article (40): Composition of the Committee:

A decision of the Ordinary General Assembly shall form an audit committee composed of non-executive members of the board of directors, whether from the shareholders or from others, so that the number of its members shall be three.

Article (41) The committee meeting quorum:

For the audit committee meeting to be valid, the attendance of the majority of its members is required, and its decisions are issued by a majority vote of those present.

Article (42): Committee's Functions:

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. for serious damage or loss.

Article (43): Committee Reports:

The Audit Committee shall consider the company's financial statements, reports and notes provided 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 system and the other work it has undertaken that fall within its jurisdiction. The Board of Directors shall to deposit sufficient copies of this report at the company's head office at least twenty-one days prior to the date of the general assembly meeting, to provide each of the shareholders who wish with a copy of it. The report shall be read during the assembly's meeting.

(Chapter Six)

Auditor

Article (44): Appointment of the auditor:

The company must have an auditor (or more) from among the auditors licensed to work in the Kingdom of Saudi Arabia, to be appointed annually by the Ordinary General Assembly, and to determine his remuneration and the duration of his work. appropriate or for an unlawful reason.

Article (45): Powers of the auditor:

The auditor at any time has the right to review the company's books, records and other documents. He may request data and clarifications that he deems necessary to obtain in order to verify the company's assets, obligations and other matters 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, this is proven in a report submitted to the Board of Directors. If the Board does not facilitate the work of the auditor, he must request the Board of Directors to invite the Ordinary General Assembly to consider the matter.

(Chapter Seven)

Company accounts and dividend distribution

Article (46): The fiscal year:

The company's fiscal year begins on the first of January and ends at the end of December of each year, provided that the first fiscal year begins from the date of its registration in the Commercial Register until the end of December of the following year.

Article (47): Financial Documents:

- 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 activities and financial position for the past fiscal year. This report guarantees the proposed method for distributing profits, and the Board puts these documents at the disposal of the auditor at least forty-five days before the date set for convening the General Assembly.
- The company's board of directors, chief executive officer and chief financial officer must sign the above-mentioned documents and copies of them are deposited at the company's head office at the shareholders' disposal at least twenty-one days before the scheduled date of the general assembly.
- The Chairman of the Board of Directors shall provide the shareholders with the company's financial statements, the Board's report and the auditor's report, unless they are published in a daily newspaper distributed in the company's head office. He must also send a copy of these documents to the Ministry and the Capital Market Authority at least twenty-one days before the General Assembly is convened.

Article (48): Distribution of Profits:

The company's annual net profits are distributed 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 (10%) of the net profits to form a consensual reserve to be allocated for the benefit of the company.
3. The Ordinary General Assembly may decide to form other reserves to the extent that achieves the interest of the company or ensures the distribution of fixed profits as much as possible to the shareholders. The aforementioned assembly may also deduct sums from the net profits for the establishment of social institutions for the company's employees or to assist any existing of these institutions.
4. The company's board of directors takes the appropriate decision regarding the distribution of profits to shareholders.

Article (49): 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 of profits shall be for the owners of shares registered in the shareholders' records at the end of the day specified for entitlement.

Article (50): Distribution of dividends for preferred shares:

- If no dividends are distributed for any financial year, then no dividends may be distributed for the following years until after paying the specified percentage in accordance with the provisions of Article (one hundred and fourteen) of the Companies Law for Preferred Shareholders for that year.
- If the company fails to pay the specified percentage in accordance with the provisions of Article 114 (one Hundred Fourteenth) of the Companies Law for a period of three consecutive years, the Special Assembly of the owners of these shares held in accordance with the provisions of Article (89) of the Companies Law may decide either that they attend the meetings of the General Assembly for the company and participate in voting or appointing their 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 dividends allocated to the owners of these shares for the previous years.

Article (51): Company losses:

- 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 must inform the members of the Board immediately, and the Board of Directors must within fifteen days of his knowledge

In this way, the Extraordinary General Assembly is called for a meeting within forty-five days from the date of his knowledge of the losses to decide either to increase or decrease the company's capital in accordance with the provisions of the Companies Law, to the extent that the percentage of losses drops below half of the paid-up capital, or to dissolve the company before the deadline specified in Article (Six) of this system.

- The company is considered dissolved 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 Eight)

Disputes

Article (52): 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 his own harm. The shareholder may not file the aforementioned lawsuit unless the company's right to file it still exists, and the shareholder must inform the company he intends to file a lawsuit.

(Chapter Nine)

Dissolution and liquidation of the company

Article (53): Termination of the Company:

The company enters, upon its expiry, the phase of liquidation and retains the legal personality to the extent necessary for liquidation. The decision of voluntary liquidation is issued by the extraordinary general assembly. The decision of liquidation must include the appointment of the liquidator, specifying his powers and fees, restrictions imposed on his powers, and the time period required for liquidation. The period of voluntary liquidation should not exceed five years and may not be extended. For more than that, except by a judicial order, and the authority of the company's board of directors ends with its dissolution. Nevertheless, they remain in charge of the company's management, and they are considered to be liquidators for others until the liquidator is appointed. Shareholders' assemblies remain in place during the liquidation period, and their role is limited to exercising their competencies that do not conflict with the competencies of the liquidator.

(Chapter Ten)

Final Provisions

Article (54): Companies Law:

The Companies Law and its Bylaws shall be applied in everything that is not provided for in this Law.

Article (55): Publication:

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