

Articles of Association

for Mouwasat Medical Services Company

Saudi Joint-Stock Company - Listed

**Amended in accordance with the Companies Law issued by Royal Decree
No. (M/132), dated 1/12/1443 H**

Adoption of the Extraordinary General Assembly

20/01/1445 H, corresponding to 07/08/2023



CONTENTS

Chapter One: General Provisions	- 1 -
Article One (1) Name of the Company:.....	- 1 -
Article Two (2) The Company's Head Office:	- 1 -
Article Three (3) Objectives of the Company:.....	- 1 -
Article Four (4) Company Term:.....	- 1 -
Article Five (5) Shareholding and Ownership in Companies:.....	- 1 -
Chapter Two: Capital and Shares	- 2 -
Article Six (6) The Company's Capital:.....	- 2 -
Article Seven (7) Subscription to Shares:	- 2 -
Article Eight (8) Preferred Shares:.....	- 2 -
Article Nine (9) Non-Payment of the Value of Shares:	- 2 -
Article Ten (10) Issuance and Division of Shares:.....	- 2 -
Article Eleven (11) Shareholders' Register:.....	- 2 -
Article Twelve (12) Increase of Capital:	- 3 -
Article Thirteen (13) Decrease of Capital:.....	- 3 -
Article Fourteen (14) Acquiring, Selling, and Mortgaging the Company's Shares	- 3 -
Chapter Three: Board of Directors	- 4 -
Article Fifteen (15) Company Management:	- 4 -
Article Sixteen (16) Expiration or Termination of the Board Membership:	- 4 -
Article Seventeen (17) Expiration of the Board Term; Board Resignations and Vacancies:.....	- 4 -
Article Eighteen (18) Representing the Company before Judicial Authorities:.....	- 5 -
Article Nineteen (19) Powers of the Board of Directors:.....	- 5 -
Article Twenty (20) Remuneration of the Board Members:.....	- 6 -
Article Twenty-One (21) Chairman of the Board of Directors, Managing Director, Secretary and Chief Executive Officer:	- 6 -
Article Twenty-Two (22) Board Meetings:	- 8 -
Article Twenty-Three (23) Board Meeting Quorum and Resolution:.....	- 8 -
Article Twenty-Four (24) Issuing Board Resolutions on Urgent Matters:	- 8 -
Article Twenty-Five (25) Board Deliberations:.....	- 8 -
Chapter Four: Shareholders' Assemblies	- 9 -
Article Twenty-Six (26) General Assembly Meeting:.....	- 9 -
Article Twenty-Seven (27) Competencies of the Ordinary General Assembly and Its Convening Times:	- 9 -
Article Twenty-Eight (28) Competencies of the Extraordinary General Assembly:.....	- 9 -
Article Twenty-Nine (29) Call for Assemblies:	- 9 -
Article Thirty (30) Ordinary General Assembly Quorum:	- 10 -
Article Thirty-One (31) Extraordinary General Assembly Quorum:.....	- 10 -



Article Thirty-Two (32) Voting in Assemblies:.....	- 10 -
Article Thirty-Three (33) Assembly Resolutions (Ordinary and Extraordinary)	- 11 -
Article Thirty-Four (34) Deliberations:.....	- 11 -
Article Thirty-Five (35) Chairing the Assemblies and Preparing Minutes of Meetings:.....	- 11 -
Chapter Five: Auditor	- 11 -
Article Thirty-Six (36) Auditor Appointment, Removal and Resignation:.....	- 11 -
Article Thirty-Seven (37) Powers of the Auditor:.....	- 12 -
Chapter Six: Company Accounts and Dividend Distribution	- 12 -
Article Thirty-Eight (38) Fiscal Year of the Company:.....	- 12 -
Article Thirty Nine (39) Financial Documents:.....	- 12 -
Article Forty (40) Distribution of Dividends and Composition of Reserves:	- 12 -
Article Forty-One (41) Entitlement to Dividends:.....	- 13 -
Chapter Seven: Dissolution and Liquidation of the Company	- 13 -
Article Forty-Two (42) Dissolution of the Company:.....	- 13 -
Chapter Eight: Final Provisions.....	- 13 -
Article Forty-Three (43) Companies Law:	- 13 -
Article Forty-Four (44) Publication:	- 13 -



Chapter One: General Provisions

Article One (1) Name of the Company:

Mouwasat Medical Services Company (a listed Saudi joint stock company), hereinafter referred to as the "Company."

Article Two (2) The Company's Head Office:

The Company's Head Office is located in the city of Dammam in the Kingdom of Saudi Arabia, and the Board of Directors may, upon its resolution, move the Head Office to any other city in the Kingdom of Saudi Arabia and establish branches, offices, or agencies for it inside or outside the Kingdom of Saudi Arabia. Hereinafter, the Company Board of Directors is referred to as the "Board."

Article Three (3) Objectives of the Company:

The objectives of the Company are defined as follows:

- A- Owning, constructing, operating, and maintaining hospitals, dispensaries, medical centers, clinics, drug stores, pharmacies, and medical, residential, and commercial complexes.
- B- Wholesale and retail trade in devices, equipment, medical and pharmaceutical supplies, medicines, medical products, catering services, and the import and export of all of the above.
- C- Buying, selling, managing, and leasing lands and real estate owned or leased, residential or non-residential, constructing buildings on them, and investing in them through selling and leasing for the benefit of the Company.
- D- Business of commercial agencies and distribution contracts.

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

Article Four (4) Company Term:

The term of the Company shall be ninety-nine (99) Gregorian years, commencing from the date of issuance of the resolution of H.E. Minister of Commerce and Investment announcing the Company's conversion. The Company's term may always be extended under the Extraordinary General Assembly's resolution at least one year prior to the expiration of its term.

Article Five (5) Shareholding and Ownership in Companies:

The Company may have an interest in or participate in the purchase of shares and stakes with bodies or companies that carry out business similar to its own or that may assist it in achieving its objectives. It may merge with, get merged with, purchase it, own shares or stakes in it or any other company, and invest in all investment portfolios. It may also have an interest in or participate in the purchase of shares and stakes not exceeding twenty percent (20%) of its free reserves and not more than ten percent (10%) of the capital of the company in which it is a shareholder. The total of these shareholdings shall not exceed the value of these reserves. The Ordinary General Assembly at its first meeting, shall be notified of the same, exclusive of mediation in its trading.



Chapter Two: Capital and Shares

Article Six (6) The Company's Capital:

- 1- The authorized capital of the Company has been set at (2,000,000,000) two billion Saudi riyals.
- 2- The Company's issued capital was set at (2,000,000,000) two billion Saudi riyals divided into (200,000,000) two hundred million nominal shares of equal value. The nominal value of each share is ten (10) Saudi riyals, all of which are ordinary cash nominal shares and have been paid in full.

Article Seven (7) Subscription to Shares:

Shareholders have subscribed to the entire issued share capital of the Company, amounting to (2,000,000,000) two billion Saudi riyals.

Article Eight (8) Preferred Shares:

The Extraordinary General Assembly of the Company may, based on the controls set by the Capital Market Authority, issue preferred shares or decide to purchase them or convert ordinary shares into preferred shares or convert preferred shares into ordinary shares. Preferred shares do not entitle to voting in the General Assemblies of Shareholders. These shares give their owners the right to obtain a percentage greater than the owners of ordinary shares from the net profits of the Company after setting aside any reserve the composition of which is to be decided in accordance with Article 40 of this Law.

Article Nine (9) Non-Payment of the Value of Shares:

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 may, after notice through a registered letter or announcement through the Saudi Exchange (TADAWUL) website, sell the shares at a public auction or on the Stock Exchange, as the case may be, in accordance with measures imposed by the Capital Market Authority.

- 1- The Company shall recover from the proceeds of the sale such amounts as are due to it and refund the balance to the Shareholder. If the proceeds of the sale fall short of the amounts (due), the Company shall have a claim on the entirety of the Shareholder's personal funds for the unpaid balance.
- 2- Rights associated with shares the value of which is not paid by the due date, shall be suspended until such shares are sold or the due amount is paid in accordance with the provision of Paragraph (1) of this Article; such rights include the right to receive dividends, attend Shareholders' Assemblies and vote on their decisions. However, the non-paying Shareholder may, up to the date of sale, pay the due amount, in addition to any related expenses incurred by the Company; in such a case, he shall have the right to demand payment of dividends.
- 3- 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 serial number of the canceled certificate. The sale shall be recorded in the Shareholders' Register along with the particulars of the new holder.

Article Ten (10) Issuance and Division of Shares:

- 1- The shares shall be nominal and may not be issued at less than their nominal value. However, the shares may be issued at a value higher than their nominal value, in which case the difference in value shall be added to an independent item under shareholders' equity.
- 2- Shares may be divided into shares of a lower nominal value or merged to represent shares of a higher nominal value, in accordance with the controls set by the Capital Market Authority.

Article Eleven (11) Shareholders' Register:

The Company's shares shall be traded according to the Capital Market Law and its Implementing Regulations.



Article Twelve (12) Increase of Capital:

An Extraordinary General Assembly may resolve to increase the Company's capital, provided that the paid capital has been paid up in full. The capital may not be paid in full where the unpaid part thereof belongs to shares issued in return for converting debts or financing instruments into shares, while the term prescribed for their conversion has not ended yet.

Article Thirteen (13) Decrease of Capital:

- 1- The Extraordinary General Assembly may decide to reduce the capital if it exceeds the Company's needs or if the Company sustains losses. In the latter case alone, only capital may be lowered beyond the limit specified in Article (59) of the Companies Law. The reduction decision shall be issued only after reading a statement in the Extraordinary General Assembly prepared by the Board on the reasons for the reduction, the Company's obligations, and the effect of the reduction on fulfilling them, provided that a report from the Company's Auditor is attached to the statement. It may be sufficient to present the aforementioned statement to the Shareholders in cases where the decision of the General Assembly is passed by circulation.
- 2- If the reason for the capital reduction is due to the capital being in excess of the Company's needs, the creditors must be invited to express their objection, if any, to such a reduction, within forty-five (45) days from the date specified for the Extraordinary General Assembly meeting to decide on the reduction. The invitation shall be accompanied by a statement indicating the amount of the capital before and after the reduction, the date of the meeting, and the effective date of the reduction. Should any creditor object and present to the Company evidentiary documents of such debt within the time limit set above, then the Company shall pay such debt, if already due, or present an adequate guarantee of payment if the debt is due at a later date.
- 3- Equality shall be observed among the Shareholders who hold shares of the same type and class when reducing the capital.

Article Fourteen (14) Acquiring, Selling, and Mortgaging the Company's Shares

- 1- The Company may buy its Ordinary and Preferred Shares in accordance with the regulatory controls set by the Capital Market Authority. The shares purchased by the Company shall not have votes in the Shareholders' Assemblies.
- 2- The Company may purchase its shares for the purpose of allocating them to the employees of the Company or employees of any or some of its Subsidiaries, in accordance with the controls and procedures set by the Capital Market Authority.
- 3- The Company may mortgage its shares in accordance with the controls set by the Capital Market Authority, and the mortgagee may receive profits and use the rights related to the share, unless otherwise agreed in the mortgage contract.



Chapter Three: Board of Directors

Article Fifteen (15) Company Management:

The Company is managed by a board of directors consisting of (seven) members of natural capacity who are elected by the Ordinary General Assembly of Shareholders for a period not exceeding (four) years, and the Members of the Board may be re-elected.

Article Sixteen (16) Expiration or Termination of the Board Membership:

- 1- Board membership ends with the expiration of its term or with the expiration of the Member's suitability for membership in accordance with any law or instructions in force in the Kingdom.
- 2- The General Assembly may, based on a recommendation from the Board, terminate the membership of any Member who fails to attend (3) three consecutive meetings or (5) five separate meetings during his membership period without a legitimate excuse accepted by the Board.
- 3- The Ordinary General Assembly may dismiss all or some of the Members of the Board, and in this case, it shall elect a new Board of Directors or someone to replace the dismissed Member - as the case may be, in accordance with the provisions of the Companies Law and its Implementing Regulations.

Article Seventeen (17) Expiration of the Board Term; Board Resignations and Vacancies:

- 1- The Board of Directors shall call the Ordinary General Assembly to convene in ample time prior to the expiration of the Board's term to elect a board of directors for a new term. If the election cannot be held and the term of the current board expires, its members shall continue to carry out their duties until a board of directors is elected for a new term, provided that the period of continuation of the Members of the Board whose term ended does not exceed (ninety) days from the date of the end of the Board term. The Board shall take the necessary measures to elect a board of directors to replace it before the expiration of the period of continuity specified in this Clause.
- 2- If the Chairman and Members of the Board of Directors resign, they shall call for an Ordinary General Assembly meeting to elect a new board. The resignation shall not take effect until a new board is elected, provided that the period of continuation of the retired Board does not exceed (one hundred and twenty) days from the date of that retirement, and the Board shall take the necessary measures to elect a board of directors to replace it before the continuity period specified in this Clause expires.
- 3- A Board Member may resign pursuant to a written notice submitted to the Chairman of the Board of Directors. If the Chairman of the Board resigns, the notice shall be submitted to the Board Members and the Board's Secretary. In both cases, the resignation shall take effect on the date specified in the notice.
- 4- If the position of a Member of the Board became vacant due to his death or retirement and this vacancy did not result in a breach of the conditions necessary for the validity of the Board meeting due to a decrease in the number of its members below the minimum number, the Board may, at its discretion:
 - A- Appoint a qualified person with relevant expertise to provisionally fill the vacancy, provided that the appointment shall be reported to the Commercial Register and to the CMA within 15 days from the date of such appointment, and it shall be submitted to the Ordinary General Assembly in its first meeting. The appointed Member shall complete the term of his predecessor.
 - B- Non-appointment of a replacement member and the continuation of the membership vacancy until the end of the Board term.
- 5- If the number of Board Members falls below the minimum number required for the validity of Board meetings as stipulated in the Companies Law or the Company's Articles of Association, the remaining Members shall call for an Ordinary General Assembly meeting within 60 days to elect the required number of Members.



Article Eighteen (18) Representing the Company before Judicial Authorities:

The Chairman of the Board shall represent the Company before third parties and all judicial and quasi-judicial bodies, including arbitration. The Chairman of the Board may, by a written decision, delegate some of his powers to other Members of the Board or to third parties in carrying out a specific work or action, and the Vice-Chairman of the Board of Directors shall replace the Chairman of the Board of Directors in his absence.

Article Nineteen (19) Powers of the Board of Directors:

Without prejudice to the powers of the General Assembly, the Board of Directors shall be vested with full powers to manage the Company in order to achieve its objectives, supervise its business, money, and all its dealings, and manage its affairs inside and outside the Kingdom, except for what is excluded pursuant to a special provision in the Companies Law, the Corporate Governance Regulations issued by the Capital Market Authority, or the Company's Articles of Association. It may, for example, as well as performing other actions, represent the Company with third parties, all governmental and non-governmental agencies, and all judicial and quasi-judicial agencies of all degrees and types; sign on behalf of the Company, entering into tenders, receiving and paying amounts, requesting the execution of judgments and opposing them, and receiving amounts collected from execution; the Board may sign all types of contracts, documents and papers including, for example, the articles of incorporation of companies in which the Company participates, with all their amendments, appendices, and amendment decisions; sign agreements and legal instruments on behalf of the Company; sell, buy, transfer and accept the same, receive, deliver, rent, lease, receive and pay payments; establish, sign, endorse and receive commercial papers, and conduct all banking transactions necessary for the Company and its Subsidiaries, including opening and closing accounts, withdrawing from them, depositing in them, requesting all kinds of facilities from commercial banks and loans in any amounts and signing them; sign and cash checks, sign Islamic Murabaha agreements and investment contracts, and make all bank transfers on behalf of the Company; request the opening and management of Internet banking services of all kinds, and the provision of guarantees, loans and financing to affiliated companies, as well as the opening and closing of portfolios for trading in shares of joint-stock companies and all securities in companies' subscriptions; the Board may appoint and fire staff and employees, apply for visas, attract and contract with workforce from outside KSA, determine their salaries, issue residence authorization cards (Iqamas), transfer and waive sponsorships, and dispose of assets, properties and real estates. It also has the right to make and accept procurements, pay the price thereof, make and payoff pledges, make and discharge sales, and receive the price of as well as deliver the product. It may carry out everything that is considered one of its competencies or powers under the Companies Law and the Corporate Governance Regulations issued by the Capital Market Authority.

The Board of Directors may, without obtaining the approval of the Shareholders, at a General Assembly:

- 1- Sell or pledge the Company's assets, real estate properties, Head Office or shops, subject to the provisions related to the sale of assets stipulated in the Companies Law and its Implementing Regulations and the provisions related to substantial transactions stipulated in the regulations of the Capital Market Authority.
- 2- Discharge and release the Company's debtors from their obligations.
- 3- Concluding, maintaining, and renewing a management agreement between the Company and its Subsidiaries or third parties in order to operate and manage the Subsidiaries or third parties.
- 4- Borrow money for any term and enter into contracts to lend the Company any money needed or provide any other guarantee to replace or fulfill the Company's obligations related to that loan in the Kingdom or anywhere else, or enter into any investment.

The Board of Directors may, within the limits of its authorities, deputize one or more of its Members or others to carry out specific assignment(s).



Article Twenty (20) Remuneration of the Board Members:

- 1- A Director's remuneration consists of an annual remuneration, a percentage of the profits of no more than 10% of the net profits, attendance allowances, and reasonable expenses for Board meeting attendance (including travel costs). The Ordinary General Assembly shall determine the Directors' annual remuneration, allowances, and expenses of attendance upon a proposal of the Board of Directors.
- 2- The Board of Directors' report to the Ordinary General Assembly, in its meeting, must include a comprehensive statement of all the amounts received or owed by the Directors during the Financial Year in the way of remunerations, expenses, and other benefits. This report shall also include the amounts received by the Directors in their capacity as employees or administrators or by way of consideration for technical, administrative, or advisory services to the Company. Moreover, it shall include a statement of the number of Board meetings and the number of meetings attended by each Director.

Article Twenty-One (21) Chairman of the Board of Directors, Managing Director, Secretary and Chief Executive Officer:

The Board shall appoint a Chairman, Vice-Chairman and Managing Director from among its Members. It may also appoint the Chief Executive Officer from among its Members. It is not permissible to combine the position of Chairman of the Board with any executive position in the Company. In the absence of the Chairman, the Vice-Chairman shall have the power to call the Board for a meeting and chair the Board meetings. The Company is also represented in its relations with third parties by the Chairman of the Board, the Vice-Chairman of the Board, the Managing Director, and the Chief Executive Officer (if appointed from among the Members of the Board), collectively and severally. The Chairman of the Board, his deputy, the Managing Director and the Chief Executive Officer, jointly or severally, shall be responsible for the following:

- 1- Sign on behalf of the Company, represent it in its relations with third parties and with government entities, companies, individuals, courts, notaries, the Board of Grievances, offices of resolution of securities disputes, arbitration bodies, chambers of commerce and industry, labor courts, Sharia courts of all types and degrees, civil rights, police stations, and any other official or judicial department. To this end, Chairman shall have the right to plead, defend, litigate, prosecute, claim, reconcile, assign, make declarations, deny, request an oath, the right to pre-emption, and sponsorship, hear and respond to claims, establish evidence, submit defenses, deny handwritings and seals and challenge them for forgery, and end all the suits filed by or against the Company, accept, apply for the enforcement of, deny, object to, appeal, and challenge, by way of cassation, judgments, and sign all necessary documents in this regard.
- 2- In its own name, the Company may, if necessary, buy and sell shares in other companies in the name of the Company, pay and receive the price, and sign before the notaries and other government agencies the memorandum of association or its amendment decisions, whether by increasing or decreasing its capital, entering new Shareholders, dismissing current Shareholders, buying, selling, assigning, or liquidating shares or interests, or management amendments, modifications of the Company's objectives, its nature, or any other amendments to contracts or decisions amending the memorandums of association or bylaws of companies, whatever the type of such amendments. All of the above shall apply to all companies established, individually owned or jointly owned by the Company. The Chairman shall also attend meetings and assemblies, including general assemblies, shareholders' assemblies, boards of directors, boards of managers, and discussions, and vote on behalf of the Company, or authorize anyone at his discretion to attend and vote in the name of the Company, as the case may be.
- 3- Rent, lease, conclude and terminate contracts, pay and receive the rent, buy real estate in the name and for the benefit of the Company, sell, buy, and invest in the fixed and movable real estate, assets, and properties of the Company, conclude and terminate contracts, make partnerships in favor of the Company, sell and transfer title of the Company's properties to other parties, as well as accept the same, receive and pay the price, mortgage, and redeem mortgage, assign all rights and cases,



receive, amend, and request replacement for instruments, sort out and sign on behalf of the Company with notaries and all governmental and private entities.

- 4- Establish, sign, endorse and receive commercial papers, conclude all banking transactions necessary for the Company's activities, including opening, closing, withdrawing and depositing in accounts, request facilities of all kinds from commercial banks and loans in any amounts, sign loan agreements and guarantees, request and issue guarantees, open credits on behalf of the Company, and sign treasury business and its products, sign guarantees on behalf of the Company to guarantee third parties, sign facility contracts and documents on behalf of the Company and its Subsidiaries, sign and cash checks, sign Islamic Murabaha agreements and investment contracts, carry out all bank transfers on behalf of the Company, request opening and management of all types of Internet banking services, provide guarantees, loans and financing to Subsidiaries, open and close investment portfolios, trade in shares of joint-stock companies and all securities and subscriptions of companies.
- 5- Appoint and dismiss employees and workers, request visas, recruit and contract with labor from outside the Kingdom and determine their salaries thereof, issue, transfer, and assign residences, approve the Company's internal regulations and policies, decide to open branches inside and outside the Kingdom, request the issuance, modification, renewal and cancellation of licenses, seek issuance of the main and sub-commercial records, indicate any additional changes by deleting, adding, modifying, or highlighting, receive the assets of the commercial records, assign the commercial records, register, assign, and license use of trade names, trademarks and intellectual property, sign with all chambers of commerce and industry in Saudi Arabia and abroad, authorize or dismiss anyone whom he deems it fit to authorize or dismiss in respect of business with chambers of commerce and industry in Saudi Arabia and abroad.
- 6- Any other duties assigned to him by the Board or stipulated in this Law. He may exercise all these powers inside and outside the Kingdom.

The Chairman, Vice-Chairman, Managing Director, and Executive Officer may delegate or authorize one or more of its Members or third parties to carry out a function or certain functions related to the Company's business or the said powers. He may also dismiss him and give him the right to delegate others, by virtue of powers of attorney or written authorization.

The Board of Directors shall determine, at its discretion, the special remuneration received by the Chairman, Vice-Chairman, Managing Director, and Executive Officer (if appointed by the Board Members). The Board of Directors shall appoint a Secretary, whether from among its Members or otherwise, and shall determine his remuneration. The Secretary shall record and maintain the minutes of the meetings of the Board of Directors, along with decisions issued in such meetings, in addition to other functions entrusted thereto by the Board of Directors. The Board shall determine the remuneration of the Secretary of the Board. The terms of the office of the Chairman, Vice-Chairman, Managing Director and the Secretary shall not exceed their respective terms of service as Members of the Board, and may be reappointed. The Board of Directors may dismiss any of them at any time, without prejudice to their right to claim compensation if the dismissal was for an invalid reason or occurred at an improper time. The terms of office of the Chairman, Vice Chairman, the Managing Director, and the Secretary shall not exceed their respective term of service as Directors. The Board may dismiss the Chairman, Vice-Chairman, Managing Director, if any, the Executive Officer, if any, and the Secretary, or any of them. This does not result in dismissing them from their membership on the Board.

The Board of Directors may appoint, from among its Members or otherwise, a Chief Executive Officer of the Company, who shall execute the decisions of the Board, conduct the daily business of the Company and manage its employees under the supervision and control of the Board of Directors. He shall have the powers determined by the Board of Directors. He may delegate or authorize one or more of the Company's employees or third parties to carry out a function or certain functions related to the Company's business by virtue of powers of attorney or written authorization.



Article Twenty-Two (22) Board Meetings:

- 1- The Board shall meet upon the invitation of its Chairman. The Chairman shall invite the Board to a meeting when requested to do so, in writing, by any Board Member to discuss one or more issues.
- 2- The Board shall meet at least four times a year, with at least one meeting every quarter. The invitation shall be written and may be served personally, by mail, fax, electronic mail, text messages, any other means of modern technology, or any other means agreed upon by all Members of the Board. The invitation shall include the date, time, and place of the meeting, a statement of the meeting agenda and any relevant papers. Such invitation shall be sent at least five (5) days prior to the scheduled date of the meeting. The invitation may also be served within a period of less than five (5) days, whenever the need arises, for an emergency meeting.
- 3- The Board determines the location of its meetings, which may be held using modern technology.

Article Twenty-Three (23) Board Meeting Quorum and Resolution:

- 1- Board meetings shall only be valid if attended by at least half of the Members, whether in person or by proxy, provided that at least four Members are present. A Director may delegate another Director to represent him at Board meetings, subject to the following controls:
 - A- A Director may not be represented by more than one Director at that meeting.
 - B- A proxy shall be appointed, in writing and for a specific meeting, and the Director shall have only one proxy.
 - C- A Board Member acting by proxy may not vote on resolutions on which his principal is prohibited from voting under the Law.
- 2- The Board's resolutions shall be adopted by the majority votes of the present or represented Members. In the event of a tie, the Chairman or, in his absence, whoever chairs the meeting, shall have the casting vote.
- 3- A Board decision shall become effective on the date of its issuance unless the decision provides for a specific date or condition for its effectiveness.

Article Twenty-Four (24) Issuing Board Resolutions on Urgent Matters:

The Board of Directors may issue resolutions on urgent matters by circulation to all Members, unless a Member submits a written request for a Board meeting to deliberate such matters. The resolutions shall be passed by the majority vote of Members. Such resolutions shall be presented to the Board of Directors at its subsequent meeting and recorded in the minutes of said meeting.

Article Twenty-Five (25) Board Deliberations:

- 1- Deliberations and resolutions of the Board of Directors shall be recorded in minutes prepared by the Board Secretary and signed by the meeting Chairman, attending Board Members, and the Board Secretary.
- 2- The minutes shall be entered in a special register to be signed by the Chairman and the Secretary.
- 3- Means of technology may be used to obtain signatures, record deliberations and decisions, and prepare meeting minutes.



Chapter Four: Shareholders' Assemblies

Article Twenty-Six (26) General Assembly Meeting:

- 1- Shareholder General Assembly meetings shall be chaired by the Chairman of the Board of Directors, the Vice-Chairman in case of the Chairman's absence, or any Member designated by the Board of Directors in the absence of both the Chairman and Vice-Chairman by voting.
- 2- A Shareholder shall have the right to attend General Assembly meeting or delegate a person other than a Board Member to attend such meetings on his behalf.
- 3- Means of Technology may be used to hold General Assembly meetings and enable Shareholders to engage in deliberations and vote on decisions.

Article Twenty-Seven (27) Competencies of the Ordinary General Assembly and Its Convening Times:

Except for matters falling within the jurisdiction of the Extraordinary General Assembly, the Ordinary General Assembly shall be competent to deal with all other matters related to the Company, particularly the following:

- 1- Electing and removing Board Members.
- 2- Appointing a Company Auditor, or more, in accordance with this Law; determining his fees; and reappointing and removing him.
- 3- Reviewing and discussing the Board's report.
- 4- Reviewing and discussing the Company's financial statements.
- 5- Reviewing the Auditor's report, if any, and making a decision thereon.
- 6- Deciding on Board proposals relating to the manner of distributing dividends.
- 7- Creating the Company's reserves and determining their uses.

The Ordinary General Assembly convenes at least once a year during the six months following the end of the Company's fiscal year, and other Ordinary Assemblies may be called whenever the need arises.

Article Twenty-Eight (28) Competencies of the Extraordinary General Assembly:

The Extraordinary General Assembly shall have the following powers:

- 1- Amendment of the provisions of the Company's Articles of Association, other than those matters whose amendment is prohibited by Law.
- 2- Deciding on the Company's continuation or dissolution.
- 3- Approval of the Company's purchase of its shares.

The Extraordinary General Assembly may issue resolutions on matters originally within the competence of the Ordinary General Assembly under the same terms and conditions prescribed for the Ordinary General Assembly.

Article Twenty-Nine (29) Call for Assemblies:

- 1- Shareholders' General and Special Assemblies shall be convened by virtue of a call made by the Board. The Board shall call for an Ordinary General Assembly, within thirty days from the date of Auditor's request or the request of one Shareholder or more representing at least (10%) of the Company's voting shares. The Auditor may call for a General Assembly meeting if the Board did not call for such a meeting within (30) days from the date of the Auditor's request.
- 2- The request referred to in Paragraph (1) of this Article shall indicate the issues that the Shareholders are required to vote on.
- 3- The invitation to convene the Assembly shall be sent at least (twenty-one) days prior to the specified date in accordance with the provisions of the system, taking into account the following:



- A- The Shareholders shall be notified by registered mail served at their addresses recorded in the Shareholders' Register, or the invitation shall be announced through modern technology.
- B- A copy of the invitation and agenda shall be sent to the Commercial Register and the Capital Market Authority.
- C- The invitation to the Assembly meeting shall include at least the following:
 - 1- A statement defining those with the right to attend the meeting and their right to designate persons other than Board Members to act as their proxy; a statement of a Shareholder's right to discuss items on the meeting agenda and direct questions, as well as the manner of exercising the right to vote.
 - 2- Meeting venue, date, and time.
 - 3- Type of Assembly, whether General or Special.
 - 4- Meeting agenda, including the items on which Shareholders are required to vote.

Article Thirty (30) Ordinary General Assembly Quorum:

- 1- An Ordinary General Assembly meeting shall be deemed valid only if attended by Shareholders who represent at least a quarter of the Company's voting shares.
- 2- If the quorum required for an Ordinary General Assembly meeting is not satisfied as stipulated in Paragraph (1) of this Article, a call shall be made for a second meeting to be held under the same conditions stipulated in Article 91 of this Law, within 30 days following the date set for the first meeting. However, the second meeting may be held one hour after the end of the period set for the first meeting, provided that the invitation for the first meeting provides for the possibility of holding a second meeting. In all cases, the second meeting shall be deemed valid regardless of the number of voting shares represented therein.

Article Thirty-One (31) Extraordinary General Assembly Quorum:

- 1- An Extraordinary General Assembly meeting shall be deemed valid only if attended by Shareholders who represent at least half of the Company's voting shares.
- 2- If the quorum required for an Extraordinary General Assembly meeting is not satisfied as stipulated in Paragraph (1) of this Article, a call shall be made for a second meeting to be held under the same conditions stipulated in Article 91 of the Companies Law. However, the second meeting may be held one hour after the end of the period set for the first meeting, provided that the invitation for the first meeting provides for the possibility of holding a second meeting. In all cases, the second meeting shall be deemed valid if attended by Shareholders who represent at least a quarter of the Company's voting shares.
- 3- If the quorum required for the second meeting is not satisfied, a call shall be made for a third meeting to be held under the same conditions stipulated in Article (91) of the Companies Law. The third meeting shall be deemed valid regardless of the number of voting shares represented therein.

Article Thirty-Two (32) Voting in Assemblies:

- 1- Each Shareholder has a vote for each share in the General Assemblies, and the cumulative vote shall be used in electing the Members of the Board, so that the right to vote for a share may not be used more than once.
- 2- Board Members may not participate in voting on the Assembly's decisions related to business and contracts in which they have a direct or indirect interest or that involve a conflict of interest.



Article Thirty-Three (33) Assembly Resolutions (Ordinary and Extraordinary)

- 1- The resolutions of the Ordinary General Assembly shall be adopted by the approval of the majority of the voting rights represented in the meeting.
- 2- The resolutions of an Extraordinary General Assembly meeting shall be passed by the vote of two thirds of the voting shares represented therein. The resolutions relating to the increase or decrease of capital, extension of the Company's term, dissolution of the Company prior to the expiry of the term specified in its Articles of Association, merger of the Company with another company, or division of the Company into two companies or more shall be deemed valid only if made by the vote of three quarters of the voting shares represented in the meeting.

Article Thirty-Four (34) Deliberations:

Every Shareholder shall have the right to discuss the matters listed in the General Assemblies' agenda and to address questions to the Directors and the Auditor with respect thereto. The Directors or the Auditor shall respond to these questions to the extent that does not endanger the Company's interests. If the Shareholder deems the answer to the question unsatisfactory, he may refer the issue to the General Assembly, whose decision in this regard shall be binding.

Article Thirty-Five (35) Chairing the Assemblies and Preparing Minutes of Meetings:

- 1- The General Assemblies shall be chaired by the Chairman of the Board of Directors or his deputy in his absence, or whomever the Board of Directors delegates from among its Members for that purpose in the absence of the Chairman or his deputy, and the Chairman shall appoint a Secretary for the meeting and a vote collector.
- 2- Minutes shall be kept for every Assembly, showing the number of Shareholders present or represented thereat, the number of shares held by each of them, whether personally or by proxy, the number of votes allotted thereto, the resolutions adopted, the number of approving and dissenting votes, and a comprehensive summary of the debate conducted at the meeting. Following every meeting, the minutes shall be regularly entered in a special book, which shall be signed by the Assembly Chairman, the Secretary, and the vote collectors.

Chapter Five: Auditor

Article Thirty-Six (36) Auditor Appointment, Removal and Resignation:

- 1- The Company shall have one (or more) auditors from among those authorized to operate in the Kingdom of Saudi Arabia. The Auditor shall be annually appointed by the Ordinary General Assembly, which shall specify his remuneration and term of office. He may be reappointed, provided that the total period of his appointment shall not exceed (seven) consecutive or separate financial years. The person who has exhausted this period may be reappointed after three years from the date of its termination.
- 2- Subject to a decision of the General Assembly, the Auditor may be dismissed, and the Chairman of the Board shall inform the Capital Market Authority of the dismissal decision and its reasons within a period not exceeding five (5) days from the date of issuance of the decision.
- 3- The Auditor may retire from his mission by virtue of a written report that he submits to the Company. His mission shall end as of the date of its submission or at a later date specified in the notification, without prejudice to the Company's right to compensation for the damage incurred by it, if required. When serving notification, the retired Auditor shall submit to the Company and the Capital Market Authority a statement of the reasons for his retirement. The Board shall call the General Assembly to convene to consider the reasons for retirement, appoint another Auditor, and determine his fees, term of employment, and scope.



Article Thirty-Seven (37) Powers of the Auditor:

The Auditor shall, at any time, have access to the Company's books, records, and other supporting documents. He may request details and clarifications he deems necessary to verify the Company's assets, liabilities, and others that are within the scope of his work. The Board shall enable the Auditor to perform his duties. If the Auditor faces any challenges in this regard, he may submit a report thereon to the Board. If the Board does not facilitate the work of the Auditor, he shall request that the Board call the Ordinary General Assembly to convene to consider the matter. The Auditor may serve this call if the Board has not sent it within (thirty) days from the date of the Auditor's request.

Chapter Six: Company Accounts and Dividend Distribution

Article Thirty-Eight (38) Fiscal Year of the Company:

The Company's Fiscal Year shall begin on January 1 and end on December 31 each year.

Article Thirty Nine (39) Financial Documents:

- 1- The Board shall develop the Company's financial statements at the end of each Fiscal Year together with a report of its business and financial position for the ended Fiscal Year. This report will include the proposed method for dividend distribution. The Board shall place such documents at the disposal of the Auditor at least forty-five (45) days prior to the date set for convening.
- 2- The documents referred to in Paragraph (1) of this Article shall be signed by the Chairman of the Board, the Chief Executive Officer and the Financial Manager, copies of which shall be deposited at the Company's Headquarters at the disposal of the Shareholders.
- 3- The Chairman of the Board shall provide the Shareholders with the financial statements of the Company, the report, after signing them, and the report of the Auditor, unless they have been published by any means of modern technology, at least (twenty-one) days prior to the date set for the Annual General Meeting. He shall also deposit these documents as determined by the Executive Regulations of the Companies Law.

Article Forty (40) Distribution of Dividends and Composition of Reserves:

The Company's annual net profits shall be distributed after deducting all general expenses and other costs as follows:

- 1- Ten percent (10%) of the annual net profits are set aside to form a statutory reserve for the Company. Such allocations to the statutory reserve may be discontinued by the Ordinary General Assembly when the reserve amounts to (30%) of the Company's capital.
- 2- The Ordinary General Assembly may resolve to form other reserves to the extent they serve the Company's interests, or to ensure the distribution of fixed dividends – so far as possible – to the Shareholders. The said Assembly may also withhold certain amounts from the net profits for the creation of social organizations for the Company's employees and workmen, or for supporting such organizations as may already be in existence.
- 3- (5%) of the remaining amount shall be distributed to the Shareholders from the capital.
- 4- Subject to the provisions set forth in Article 22 of the Law and Article 76 of the Companies Law, no more than (10%) shall be set aside to remunerate the Board of Directors, provided that such remuneration be proportionate to the number of sessions attended by each Director after deducting the reserves decided by the Company's General Assembly, after distributing a profit to the Shareholders of not less than (5%) of the Company's paid-up capital, provided that the entitlement to this remuneration is proportional to the number of sessions attended by the Member.
- 5- The balance shall be distributed among Shareholders as an additional share of the dividends.

Subject to the controls set by the competent authorities, the Company may distribute semi-annual and quarterly dividends.



Article Forty-One (41) Entitlement to Dividends:

The Shareholder is entitled to his share of the profits in accordance with the decision of the General Assembly issued in this regard, and the decision indicates the date of entitlement and the date of distribution. The eligibility for dividends shall be for the Shareholders registered in the Shareholders' Registers at the end of the day specified for the entitlement. The Board must implement the decision of the General Assembly regarding the distribution of profits to Shareholders within fifteen (15) working days from the date of maturity of these profits specified in the decision of the General Assembly or in the decision of the Board of Directors to distribute interim profits.

Chapter Seven: Dissolution and Liquidation of the Company

Article Forty-Two (42) Dissolution of the Company:

The Company is terminated for one of the reasons set out in Article (243) of the Companies Law. Upon expiration, the Company shall enter the stage of liquidation subject to the provisions of Part 12 of the Companies Law. If the Company is terminated and its assets are insufficient to pay off its debts or if it is in default according to the Bankruptcy Law, it shall apply to the competent judicial authority to open any of the liquidation procedures according to the Bankruptcy Law.

Chapter Eight: Final Provisions

Article Forty-Three (43) Companies Law:

- 1- The Company is subject to the regulations in force in the Kingdom of Saudi Arabia.
- 2- Any text that contradicts the provisions of the Companies Law in these Articles of Association shall not be considered, and the provisions of the Companies Law and its Implementing Regulations, the Capital Market Law and its Implementing Regulations shall apply to it. Everything that is not provided for in these Articles of Association shall be applied to the Companies Law and its Implementing Regulations, and the Capital Market Law and its Implementing Regulations.

Article Forty-Four (44) Publication:

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