

**BYLAWS**

**Emaar The Economic City**

(A Listed Saudi Joint Stock Company)

**Chapter One**

**Incorporation of Company**

**Article (1): Incorporation**

A Saudi joint stock company incorporated pursuant to the provisions of the Companies Law promulgated by Royal Decree No. M/132 dated 01/12/1443H and its implementing regulations, these Bylaws and in accordance with the Investment License No. (1111/1) dated 11/17/1426H. (corresponding to 18 December 2005G) and pursuant to the following conditions:

**Article (2): Company's Name**

"Emaar The Economic City" – a Listed Saudi Joint Stock Company.

**Article (3): Company's Objectives**

The objectives of the Company are as follows:

ISIC 4 Activity Code	ISIC 4 Activity Name (English)
682044	Real Estate Auctions
642003	Possessing real estate and movables required for Holding Companies
649221	Real estate financing
649222	Real estate refinancing
681010	buying, selling and subdividing of land and real estate, and on-the-map selling activities
681021	Management and leasing of real estate with own or leased property (residential)
681022	Management and leasing of real estate with own or leased property(non-residential)
681041	Residential Real estate development using modern construction method
681042	Commercial Real estate development using modern construction methods
682010	Real Estate Brokerage
682020	intermediation in real estate management
682041	Real property registration services
682042	Real Estate consultancy
682043	Marketing of tourism Real Estate by time share
941212	Owners' Association of Joint Properties
931221	Men's sports halls and centers
931222	Women's sports halls and centers
960920	Relaxation and personal care centers
551011	Hotels
551012	motels
551013	Heritage hotels
551014	Wellness hotels
551015	Boutique hotels
551021	Furnished residential units

551022	Hotel apartments
551023	Hotel villas
551024	Heritage hotel villas
551025	Serviced Apartments
551044	Resorts
471920	Popular markets
471930	Hypermarkets
853011	Colleges and university institutes
853033	Non - profit private universities
853040	Higher Training Institutes
261005	Manufacture of power adapters for electronic uses
261011	Manufacture of solar panels and their parts
370001	Wastewater collection and transportation
360012	Water Purification
360013	Water desalination
360014	water distribution and transfer
465996	Wholesale of spare parts of construction machinery and equipment
351011	Electric power generation
351012	Electric power transmission
351013	Distribution and retail sale of electric power
351014	Distribution and wholesale of electric power
351016	Importing and exporting electricity
421010	Construction of motorways, streets, roads, other vehicular and pedestrian ways
421051	Repair and maintenance of motorways, streets, roads, other vehicular and pedestrian ways
429071	Public sports structures including play grounds
813014	care and maintenance of greenery for sports grounds (e.g. golf courses)
813011	care and maintenance of parks and gardens for public housing
813012	care and maintenance of greenery for buildings (roof gardens, façade greenery, indoor gardens)
461032	Import activities
461031	Export activities
410010	Construction of all types of residential buildings
410022	construction of airports and airports facilities
410023	General constructions of government buildings
410030	Erection of prefabricated constructions on the site
422032	Construction of main lines and stations of water distribution
422033	Repair and maintenance of water distribution stations, networks and main lines
422045	Repair and maintenance of sewer systems, sewage disposal plants and pumping station
422047	Repair and maintenance of wired and wireless communication stations and radars
422050	Construction of sewer systems, sewage disposal plants and pumping stations
422060	Construction and establishment of electrical power stations and transformers
422070	Construction and establishment of telecommunications and radar stations and towers
562111	event catering kitchens
931213	Golf courses

910201	Museums
932103	Entertainment Centers
932918	Entertainment events organization
932933	Operation of entertainment events facilities
932101	Amusement parks
932103	Entertainment Centers
869054	complementary and alternative clinics
862064	Medical clinic
862067	Shared Health space
381101	Municipal waste collection services
381103	Collection of recyclable materials
381104	Transfer of non-hazardous industrial waste
381105	Transfer of municipal waste
812907	street sweeping and snow and ice removal
799020	Booking and ticketing for sports and entertainment events, exhibitions and conferences
823001	Organization and management of exhibitions and conferences
823006	Operation of exhibition and conference centres and facilities
823004	Organization and management of crowds
522101	Operation and maintenance of railway facilities
522102	Operation of terminal facilities such as bus stations, stations for the handling of goods
522106	Railway stations
522102	Bus stations
522108	Operation of railroad infrastructure
960961	Valet parking services
811003	provision of maintenance services within facilities
521011	Operation of storage facilities for all types of goods except food
521012	Loading and unloading of goods
522401	Loading and unloading of goods or passengers' luggage irrespective of the mode of transport used for transportation
493007	Operation and maintenance of pumping stations and pipelines
522102	Operation of terminal facilities such as bus stations, stations for the handling of goods
611001	Providing fixed telecommunication services
611002	Fixed broadband
611003	Providing of wired internet services
611004	Provision of wired data services
612011	Providing mobile telecommunications services
612012	Mobile broadband
612013	Providing of wireless internet services
612014	Provision of wireless data services
619018	Provision of IoT- VNO services
16101	Agriculture services, includes (field preparation, crop treatment, harvesting and other agricultural services)
11308	Aquaculture for production of vegetable
11903	Aquaculture for production of flowers
32101	Aquaculture of aquatic organisms in marine water

32201	Aquaculture of aquatic organisms in inland water
742011	Photographic activities
742020	photography for commercials and tourism purposes
799020	Booking and ticketing for sports and entertainment events, exhibitions and conferences
731013	Provision of marketing services on behalf of others
<b><u>Participation with other Companies</u></b>	
The Company may establish any type of the companies including limited liability or closed joint stock companies of all types or otherwise in accordance with the applicable laws.. It may also own shares or stock in other existing companies or merge with such companies and may work with third parties on establishing joint stock or limited liability companies, having complied with the applicable laws and directives in this regard. Moreover, the Company may dispose of these shares or stocks provided that it is not serving as broker for the traded shares.	
<b><u>Article (4): Company's Head Office</u></b>	
The Company's head office shall be in King Abdullah Economic City, Rabigh, Kingdom of Saudi Arabia. The Company may open branches inside or outside the Kingdom whenever it is in the Company's interest to do so pursuant to a Board of Directors resolution.	
<b><u>Article (5): Duration of the Company</u></b>	
The Company has been incorporated for an indefinite term commencing from the date of registration in the commercial register.	
<b><u>Chapter Two</u></b>	
<b><u>Share Capital and Shares</u></b>	
<b><u>Article (6): Share Capital and Shares</u></b>	
The share capital of the Company shall be eleven billion three hundred thirty-three million three hundred and thirty-three thousand three hundred and forty (11,333,333,340) Saudi Riyals divided into one billion one hundred thirty-three million three hundred and thirty-three thousand three hundred and thirty-four (1,133,333,334) shares of equal nominal value of ten (10) Saudi Riyals per share, which consist of ordinary cash shares with a value of six billion eight hundred million (6,800,000,000) Saudi Riyals and in-kind shares with a value of four billion five hundred thirty-three million three hundred and thirty-three thousand three hundred and forty (4,533,333,340) Saudi Riyals.	
<b><u>Article (7): Subscription</u></b>	
The shareholders have subscribed to all the issued share capital of the company amounting to one billion one hundred thirty-three million three hundred thirty-three thousand three hundred and thirty-four (1,133,333,334) shares and have paid the full value thereof.	
<b><u>Article (8): Preferred Shares; Redeemable Shares; Company's Purchasing and Conversion of Shares</u></b>	
The Company may, subject to the conditions of the relevant authority, issue preferred shares or redeemable shares, purchase preferred shares, or convert such from a class or type into another. The preferred shares shall not give their holders the right to vote in general assemblies except where permitted by the laws and regulations issued by the competent authority.	
<b><u>Article (9): Debt Instruments and Sukuk</u></b>	

The Company may, pursuant to the laws in force and rules set out by the competent authority, issue debt instruments or negotiable *sukuk* by a resolution of Board of Directors, whether they were issued at the same time, in a series of issuances, or in one or more programs designated for issuing debt or *sukuk*. The Board of Directors shall have the right to specify times, amounts and conditions that it deems appropriate. The Company may, pursuant to the laws in force and rules set out by the competent authority, also issue debt instruments or *sukuk* convertible into shares by a resolution of the Extraordinary General Assembly to determine the maximum number of shares that may be issued in exchange for those debt instruments or *sukuk*, whether those debt instruments or *sukuk* convertible into shares are issued at the same time, through a series of issues or through one or more programs to issue debt instruments or *sukuk*. The Board may, without the need for a new approval from the Extraordinary General Assembly, issue new shares in exchange for those debt instruments or *sukuk* that their holders request for their conversion, immediately after the end of the conversion request period specified for the holders of those debt instruments or *sukuk*. The Board shall take the statutory measures regarding the capital increase.

**Article (10): Non-Payment of Shares**

A shareholder shall pay the value of the shares at the times set therefor. If a shareholder fails to make such payments at the due dates, the Board of Directors may, after notifying the shareholder by any means approved by the competent authority, sell such shares in a public auction or in the stock exchange, as appropriate. The other shareholder shall have priority in purchasing the shares of the defaulting shareholder in accordance with the laws and rules set by the competent authority.

The Company shall recover the amounts it is owed from the sale proceeds and refund the balance to the shareholder. If the sale proceeds are insufficient to cover what is due to the Company, then the Company may recover the entire amount due from the shareholder's assets.

The enforcement of the rights related to the shares whose value is overdue shall be suspended upon the elapse of the date set for such payment until they are sold, or the dues are paid in accordance with the provision of Paragraph (1) of this Article. These rights include the right to receive a share in the profits declared for distribution and the right to attend assemblies and vote on their resolutions. However, the defaulting shareholder may, until the day specified for the sale of shares, pay its due value in addition to the expenses incurred by the Company in this regard, and in this case the shareholder shall have the right to request obtaining the profits declared for distribution.

The Company shall cancel the share certificate for the shares sold pursuant to this Article, give the purchaser a new share certificate bearing the same serial number and make an annotation to this effect in the shareholders register together with adding the information of the new holder.

**Article (11): Issuance of Shares**

The shares shall be nominal. Shares may not be issued at less than their nominal value, but they may be issued more than this value. In this case, the difference in value shall be prescribed in a separate provision within shareholders' rights. The share is undividable towards company. If a share is jointly owned by several persons, they must elect one of them to exercise the rights attached to such share on their behalf, but they shall be jointly liable for the obligations arising from the ownership of such share.

**Article (12): Shareholders Register and Transfer of Shares**

The Company's shares shall be transferred in accordance with the Capital Market Law and its Implementing Regulations.

**Article (13): Company's Purchase, Sale and Pledge of its Shares**

1. The Company may purchase, sell and pledge its ordinary or preferred shares in accordance with the regulations and procedures of the competent authority. The shares purchased by the Company do not have voting rights in the Shareholders' Assemblies.
2. The Company may purchase its shares as an allocation to the Company's employees within the employee shares program in accordance with the controls and procedures of the competent authority.
3. The Company may sell treasury shares in one or several stages in accordance with the controls and procedures of the competent authority.
4. The Company may pledge its shares as security for a debt in accordance with the regulations and procedures of the competent authority.
<b><u>Article (14): Increase of Capital</u></b>
1. The issued share capital may be increased within the limits of the authorized share capital, if any, pursuant to a resolution by the Board of Directors of the Company, provided that the issued share capital has been paid in full.
2. The Extraordinary General Assembly may adopt a resolution to increase the Company's issued or authorized share capital, provided that the issued share capital must have been paid in full unless the unpaid portion relates to convertible debt instruments or <i>sukuk</i> and the period set for converting them into shares has not expired.
3. The Extraordinary General Assembly may, in all cases, allocate the shares issued upon the capital increase, or part thereof, to employees of the company and its subsidiaries or some of them, or any of that. Shareholders may not exercise pre-emption right when the company issues the shares allocated to employees.
4. A shareholder holding a share at the time of the Extraordinary General Assembly issuing a resolution approving the issued capital increase or at the time of the Board of Directors issuing its approval to the increase of the issued capital within the limits of the authorized capital shall have pre-emptive rights to subscribe for the new shares issued against cash contributions. Such priority, if any, shall be notified to such shareholder through means approved by the competent authority as well as being notified of the resolution of capital increase and subscription conditions, manner, duration, date of commencement and expiry.
5. The Extraordinary General Assembly may suspend the pre-emption 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.
6. A shareholder may sell or assign its pre-emption right in accordance with the laws and rules set by the competent authority.
7. Subject to the provisions of sub-article (5) above, new Shares shall be distributed to pre-emptive rights holders who have demanded subscription in proportion to the total pre-emptive rights resulting from the capital increase provided that the number of Shares allotted to

them shall not exceed the number of new Shares they have applied for. The remaining new Shares shall be allotted to the original Shareholders who have asked for more than their proportionate share, in proportion to the pre-emptive rights they hold out of pre-emptive rights resulting from the capital increase provided that the number of Shares allotted to them shall not exceed the number of new Shares they have applied for. The rest of the Shares shall be offered to third parties unless otherwise provided for by the Extraordinary General Assembly or Capital Market Law

**Article (15): Decrease of Capital**

The Extraordinary General Assembly may, after obtaining the approval of the competent authorities, reduce its capital if it proves to be in excess of the Company's needs or if the Company incurred losses. The Company may reduce its capital below the limit specified in Article 59 of the Companies Law only if it incurs losses. Such resolution shall be issued only after reading a statement prepared by the Board of Directors in respect of the reasons calling for such reduction, the obligations to be fulfilled by the Company and the effect of the reduction on the fulfilment of such obligations. A report of the auditor of the Company shall be attached to such statement. The resolution shall identify the method of reduction. If the reduction of the capital is due to its being in excess of the Company's needs, then the Company's creditors must be invited to express their objection, if any, before forty-five (45) days from the date of the Extraordinary General Assembly meeting to resolve to decrease the capital. Such invitation shall be accompanied by a statement on the capital amount before and after the reduction, date of the meeting and date of entry into force 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 to that creditor an adequate guarantee of payment if the debt is due on a later date.

**Chapter Three**

**Board of Directors**

**Article (16): Management of the Company**

The Company shall be managed by a Board of Directors comprised of nine (9) members of natural persons elected by the Ordinary General Assembly for a term not exceeding four Georgian years, and the board members may be re-elected and nominated for a further terms in accordance with the laws and rules set out by the competent authority.

**Article (17): Termination of Board Membership**

Membership of any member of the Board shall cease at the expiry of the term, removal of such member by a resolution of the Ordinary General Assembly or in the event that the validity of that membership is terminated in accordance with any applicable laws or regulations in the Kingdom. However, the Ordinary General Assembly may, at any time, remove all or any of the Directors, without prejudice to the right of a removed director to hold the Company liable if the removal is made without acceptable justification or at an improper time. A Member may resign, provided that such resignation is made at a proper time; otherwise, he shall be responsible to the Company for damages resulting from such resignation. In this case, the Ordinary General Assembly shall elect a new board of directors or a person to replace the removed member, as applicable, in accordance with the provisions of the Companies Law and its Implementing Regulation. The General Assembly may, based on a recommendation by the Board, cancel the membership of any member absent from three (3) consecutive or five (5) separate board meetings during the term of the member's membership without a justifiable excuse accepted by the Board of Directors.

**Article (18): Expiry of the Term of the Board of Directors; Resignation and Vacancy of its Members**

If the position of a Director becomes vacant, the Board of Directors may appoint a member in the vacant position temporarily. The commercial register shall be notified of such appointment within fifteen days from the date of appointments, provided that such appointment is put forward before the next Ordinary General Assembly for endorsement. The term of office of the new Director designated to fill a vacancy shall extend to the term of office of his predecessor. In case the number of Directors falls below the quorum required by the Companies Law or the Bylaws for the proper convening of the Board of Directors meetings, the Ordinary General Assembly shall be convened within sixty days to appoint the necessary number of Directors.

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

Without prejudice to the powers conferred on the General Assembly, the Board of Directors shall be vested with full powers to manage the business of the Company and achieve its objectives, which shall include formulating its policies, determine its investments, supervise its business and funds, and manage its affairs inside and outside the Kingdom. The Board of Directors is entitled to represent the Company in its relations with third parties, government agencies, all agencies, private bodies, companies and institutions of all kinds.

The Board is entitled to sign all types of contracts, documents and deeds, including without limitation Memorandums of Association and bylaws of the companies in which the Company participates with including all their amendments and appendices, amendment resolutions and partners' resolutions, including increasing and decreasing capital, as well as buying, selling and assigning shares and stocks, , entering into government and private tenders, selling, buying, transferring and accepting transfer, paying the price, mortgaging, redemption and accepting lands, real estate, shares, stocks and Company assets, including the Company's movables and facilities, merging sukuk, retailing, sorting, receiving sukuk, updating Sukuk and submitting it into the unified system, assignment of space shortages, receipt, delivery, rental, leasing, as well as signing renewal, cancellation, annulment of lease contract, capture and payment, sale and purchase of shares and stocks in the companies in which the Company is an owner, purchase of shares and stocks in other companies, attending partners' assemblies and general assemblies and voting on their decisions and registering objections and reservations, approving and publishing the Company's financial statements, carrying out all that is necessary for the companies in which the Company invests or participates, such as amendment, merger, liquidation, purchase, sale, assignment, appointment and dismissal of managers and employees, and determining their wages and remuneration.

The Board is also entitled to open accounts and credits, withdraw and deposit with banks and authorize others, approve withdrawals and electronic deposits with banks and authorize others thereof, issue bank guarantees, sign all papers, document, check, loan agreements, guarantees, and all banking transactions, including promissory notes, and may open and close investment portfolios and transfers between investment portfolios, as well as buying and selling shares and securities, as well as appointing and dismissing employees and workers, requesting visas, bringing in manpower from outside the Kingdom, contracting with them, determining their wages and rewards, issuing residency permits, transferring and waiving guarantees

The Board of Directors may enter into loan contracts of any kind with funds, institutions and government funding bodies, whatever the value of the loans and their duration, provided that their terms shall not exceed the end of the Company's term. The Board may contract loans of any kind with banks, commercial banks, houses, finance bodies and credit companies of any kind, and whatever the value and duration of the loans may be, provided that their terms do not exceed the end of the Company's term. The Board may in the above cases, provide guarantees whatever their type.

The Board may release the Company's debtors from their obligations according to the Board's discretion, including the futility of claiming these obligations or if the cost of the claim is higher than the collection of the obligation and other cases as required by the interest of the Company.

The Board may provide financial support to any of the subsidiaries or associate companies, as well as the companies in which the Company participates, in the value and manner the Board deems appropriate. In addition, the Board may provide guarantees for loans and credit facilities



of various kinds obtained by any of the subsidiaries, associates, or companies in which the Company participates, according to the percentage of ownership therein.

The Board may also, within the limits of its competencies, powers and authorities, authorize or delegate one or more of its members or a third party to carry out certain work or actions or a specific procedure or behavior, and it may revoke such authorization or power of attorney. The Board may stipulate the cases where the Board member has direct or indirect interest in the transactions or contracts made for the account of the company.

**Article (20): Directors Remuneration**

The remuneration of the Board of Directors shall consist of a certain amount, attendance allowance for meetings, benefits in kind, or a certain percentage of net profits. It is permissible to combine two or more of these benefits, within the limits specified by the Companies Law and its Implementing Regulations. The Board of Directors report submitted to the Ordinary General Assembly shall include a statement of all payments made or entitled to each Directors during the fiscal year including remuneration, allowance for attendance of meetings, expenses and other benefits. It shall as well contain a statement of payments made in consideration for technical, administrative or consultancy assignments carried out by the Directors, which assignments have been approved by the Company's General Assembly. In addition, such report shall include the number of Board of Directors meetings and number of the meetings attended by each Director from the date of the latest General Assembly meeting.

**Article (21): Powers of Chairman, Vice Chairman, Managing Directors, and Secretary**

The Board of Directors shall appoint a Chairman (the "**Chairman**"), a Vice Chairman ("**Vice Chairman**") from among its members. The Board of Directors may also appoint a Managing Director (the "**Managing Director**"). It is prohibited to combine the position of the Chairman with any other executive position in the Company. The Vice Chairman shall replace the Chairman in his absence or if he is authorized in writing by the Chairman.

The Chairman is responsible for inviting the Board of Directors to its meetings, presiding over general assemblies of shareholders and representing the Company in its relations with third parties, governmental, official and private entities. The Chairman may file claims, plead and hear cases and respond to them, declare, object, settle, accept and object to judgements, release, request travel bans, seizures and execution, request arbitration, appoint experts, consultants, and arbitrators, challenge the reports of experts and arbitrators, and replace them, demand enforcement, acceptance and denial of judgments, object to judgments, request appeal, petition for reconsideration, annotate on the judgements, request reconsideration and preemption, request the judge's removal, request execution and oppose it, and collect amounts from execution. He may sign agreements and deeds before notaries public and official bodies, as well as receiving amounts by checks in the name of the Company, receiving judgments' deeds, requesting judges to step aside and requesting inclusion and intervention, before all Sharia courts, administrative courts (the Board of Grievances), commercial and labor courts, and financial and banking dispute committees and committees for the resolution of securities disputes, and all other judicial committees, Bureau of Investigation and Public Prosecution, reporting to the Ministry of Investment and the Economic Cities Authority as well as signing before them, reporting to the Capital Market Authority and signing the necessary documents, entering into tenders and receiving forms. He is also entitled to buy, sell, accept transfer, pay the price, accept donation, transfer, release the pledge, accept the pledge, lease and rent, sign and renew rental contracts, receive the rent, receive and handover, contact all relevant authorities, complete all necessary procedures and sign all required documents. He may sign all types of contracts, documents and papers, including, but not limited to, articles of association of companies and companies in which the Company participates or contributes, partners' resolutions and amendment annexes with the notary public, including the sale and purchase of shares and stocks, assignment and capital increase and decrease, and the signing of all contracts of the Company with others, amending the management clause, entering and exiting

partners, entering into existing companies, establishing new companies, buying and selling shares and stocks, paying and receiving the price, selling shares and stocks and receiving value and profits, and opening and closing branches of the Company.

He is entitled to sign loan agreements, and guarantees, sign bills of exchange, promissory notes and checks, open accounts with banks in the Company's name and close them, authorize others, open credits, withdraw and deposit with banks, issue bank guarantees, sign all papers, documents, checks and all banking transactions, including opening and closing investment portfolios, appointing and dismissing employees, determining their salaries and bonuses, requesting visas, recruiting and contracting manpower from outside the Kingdom, issuing residency permits, and transferring and waiving guarantees.

He may appoint agents, lawyers, consultants and arbitrators on behalf of the Company and issue legal power of attorneys (POAs) on behalf of the Company. He may authorize or delegate the managing director, one or more members of the Board, or a third party to carry out certain work(s) and cancel the authorization.

The Managing Director shall have all the powers necessary to manage the Company's business, implement the decisions and directives of the Board and other powers that the Board determine for him or delegate to him.

The Board, at its discretion and by a decision issued by it, determines the special remuneration to be obtained by the Chairman, Vice Chairman and Managing Director, in addition to the remuneration prescribed for members of the Board under this Articles of Association.

The Board appoints a secretary from among its members or others. The secretary is responsible for recording and keeping the deliberations of the Board, resolutions and directives in the minutes of the Board meetings, in addition to exercising other powers assigned to him/her by the Board. The Board shall also determine the secretary's remuneration.

The term of the Chairman, the Vice Chairman, the Managing Director and the Secretary shall not exceed their term in the Board of Directors, and they may be re-elected. The Board of Directors may, at any time, remove all or any of them without prejudice to their right to compensation in case the termination was unjustified or at an inappropriate time. Such removal shall not result in their being exempted from their membership in the Board of Directors.

**Article (22): Meetings of the Board of Directors**

The Board of Directors shall be convened at least four (4) times a year upon a call by the Chairman. Such call shall be made in writing, by mail or e-mail to the addresses registered with the Company. The Chairman of the Board shall call for a meeting if requested in writing to do so by any Director to discuss any matter.

**Article (23): Board of Directors Quorum**

A Board of Directors meeting shall be valid only if attended by at least half of the Directors. A Director may give proxy to another Director to attend Board of Directors meetings in accordance with the following:

a) A member of the Board may not represent more than one member in attending the same meeting.

b) The proxy must be in writing and in relation to a specific meeting.

c) The representative may not vote on decisions that the law prohibits the representative from voting on.

Pursuant to an approval of the Board, the Board may hold its meetings by phone, video, or any other modern technology means that allow members to participate in the meeting and in which members can hear each other clearly, and any member who is unable to attend for an acceptable excuse may participate in the meeting in the same way, with the approval of the meeting chairman and the members present, and participation in the manner indicated in this paragraph shall be attendance at the meeting in terms of quorum and voting.

The decisions of the Board are issued by the majority of the votes of the members of the Board present or represented in the meeting, and in the event of equal votes, the Chairman of the Board or whoever chairs the meeting in his absence shall not have any casting vote.

The resolution of the Board of Directors shall be effective as of the date of its issuance, unless it stipulates that it will be effective at another time or when certain requirements are met. The Board may issue resolutions by passing by presenting them to all members of the Board separately, unless one of the members requests - in writing - a meeting of the Board to deliberate thereon. such resolutions shall be issued upon the adoption by the majority of the Board members. These resolutions shall be presented to the Board in the first following meeting.

#### **Article (24): Minutes and Deliberations of Meetings**

The deliberations and resolutions of meetings of the Board of Directors shall be drawn in minutes prepared by the Secretary and signed by the chairman of the meeting, the attending Directors, the Directors attending on behalf of their representatives, and the Secretary. Such minutes shall be recorded in a special register to be signed by the Chairman and the Secretary.

Modern technology means may be used to sign, record deliberations and resolutions, and record minutes.

#### **Article (25): Board's Committees**

The Board may form an executive committee from among its members or others. The Board shall determine the chairman of the committee, committee's powers, rules of work and jurisdiction in its resolution.

The Board may also form other sub-committees, whether from members of the Board or others, according to the Company's need, circumstances and conditions to assist it in performing its duties and disposing of its affairs in accordance with general procedures set by the Board. The administration, provided that among them there are committees that are concerned with specific tasks in accordance with the relevant laws and regulations issued by the competent authority.

### **Chapter Four**

#### **Shareholders Assemblies**

#### **Article (26): General Assembly Attendance**

Each shareholder has the right to attend the general assembly meeting. A shareholder may also appoint a third party other than a member of the Board of Directors as a proxy to attend the General Assembly. A General Assembly meeting may be convened, and shareholders may participate in the deliberations and vote on resolutions by advanced technology means in accordance with the laws in force and rules set out by the competent authority.

#### **Article (27): Ordinary General Assembly**

<p>Except for matters reserved for the Extraordinary General Assembly, the Ordinary General Assembly shall attend to all matters concerning the Company. The Ordinary General Assembly shall be convened at least once a year, within 6 months following the end of the Company's fiscal year. Additional Ordinary General Assembly meetings may be convened whenever needed.</p>
<p><b><u>Article (28): Extraordinary General Assembly</u></b></p>
<p>The Extraordinary General Assembly shall have the power to amend the Company's Bylaws, except for such provisions as may be impermissible to be amended under the law, resolve to continue the company or dissolve it and approve the Company's purchase of its own shares. Furthermore, the Extraordinary General Assembly may adopt resolutions on matters falling within the competence of the Ordinary General Assembly under the same conditions applicable to the latter.</p>
<p><b><u>Article (29): Manner of Convening General Assemblies</u></b></p>
<p>The General or Special Assembly shall be convened by the Board of Directors. The Board of Directors shall convene a meeting of the Ordinary General Assembly if so requested by the Auditor or one or more shareholder(s) representing at least (10%) of the Company's shares with voting rights within thirty (30) days from the date of such request. The Auditor may convene the Ordinary General Assembly if the Board of Directors fail to do so within 30 days from the date of the Auditor's request.</p>
<p>The invitation to convene the Assembly shall be sent at least twenty-one (21) days before the date specified for it, in accordance with the laws in force and rules set out by the competent authority.</p>
<p><b><u>Article (30): Quorum of Ordinary General Assembly</u></b></p>
<p>A meeting of the Ordinary General Assembly shall be valid only if attended by shareholders representing at least a quarter of the Company's shares that have voting rights. If such quorum cannot be attained at the first meeting, One of the following alternatives apply:</p>
<p>1. a second meeting shall be held within one hour following the time set for the preceding meeting provided that the notice shall expressly allow holding such meeting.</p>
<p>2. a second meeting shall be held within 30 days following the time set for the preceding meeting. Such notice shall be made in the manner prescribed in Article 30 hereof.</p>
<p>The second meeting shall be deemed valid irrespective of the number of shares that have voting rights represented therein.</p>
<p><b><u>Article (31): Quorum of Extraordinary General Assembly</u></b></p>
<p>A meeting of the Extraordinary General Assembly shall be valid only if attended by shareholders representing at least 50% of the Company's shares with voting rights. If such quorum cannot be attained at the first meeting, One of the following alternatives apply:</p>
<p>1. a second meeting shall be held within one hour following the time set for the preceding meeting provided that the notice shall expressly allow holding such meeting.</p>

<p>2. a second meeting shall be convened in the same manner provided for in Article 32 of the Bylaws.</p>
<p>The second meeting shall be valid only if attended by a number of shareholders representing at least 25% of the Company's shares with voting rights.</p>
<p>If such quorum cannot be attained at the second meeting, a third meeting shall be convened in the manner prescribed in Article 32 hereof. The third meeting shall be deemed valid irrespective of the number of shares with voting rights represented therein, after obtaining the relevant authority's approval.</p>
<p><b><u>Article (32): Voting Rights</u></b></p>
<p>1. Each shareholder shall have one vote for each share he/it owns at any General Assembly meeting. Cumulative voting must be used in electing the Board of Directors, so that the right to vote per share may not be used more than once.</p>
<p>2. Members of the Board of Directors may not participate in voting on the decisions of the Assembly related to their discharge from responsibility for the management of the Company.</p>
<p>3. No member of the Board of Directors may participate in voting on resolutions related to business and contracts in which they have direct or indirect interest or which involve conflict of interest.</p>
<p><b><u>Article (33): General Assembly Resolutions</u></b></p>
<p>Resolutions of the Ordinary General Assembly shall be adopted with the consent of the majority of voting rights represented in the meeting. Resolutions of the Extraordinary General Assembly shall be adopted by a vote of two-thirds of the voting rights represented at the meeting. However, if the resolution to be adopted is related to increasing or reducing the capital, extending the Company's duration, dissolving the Company prior to the expiry of its term specified in the Articles, merging the Company with another company or dividing the company into two companies or more, then such resolution shall be valid only if adopted by a vote of three-quarters (75%) of the voting rights represented at the meeting.</p>
<p><b><u>Article (34): Deliberations in General Assembly Meetings</u></b></p>
<p>Every shareholder shall have the right to discuss the matters listed in the agenda of an Ordinary General Assembly, and to address questions to the Directors and the Auditor in respect thereof .</p> <p>The Directors or the Auditor shall answer Shareholders' questions to such an extent that would not jeopardize the Company's interests. If a Shareholder feels that the answer to his question is unsatisfactory, he may appeal to the General Assembly whose decision shall be final in this respect.</p>
<p><b><u>Article (35): Proceedings of the General Assembly</u></b></p>
<p>The General Assembly shall be presided over by the Chairman or, in his absence, the Vice Chairman, or whoever the Board of Directors authorizes in the absence of the Chairman and Vice Chairman.</p>

The Committee's chairman shall appoint a secretary and a collector of votes. Minutes shall be kept for every General Assembly, showing the names of Shareholders present or represented, 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 consenting and dissenting votes, and a comprehensive summary of the debate conducted at the meeting. Following every meeting, the minutes shall be recorded in an organized manner in a special book, which shall be signed by the Chairman, the Secretary, and the vote counter, if any, or otherwise in accordance with procedures followed by the competent authority.

#### Chapter Five

#### Auditor

#### Article (36): Appointment of Auditor

The Company shall have one or more Auditors to be selected from among the auditors certified as licensed to practice accounting in the Kingdom of Saudi Arabia. The Auditor shall be appointed by the Ordinary General Assembly, and shall determine its compensation, term and scope of work. The Ordinary General Assembly may further reappoint the same Auditor, provided that the total term of his appointment shall not exceed seven consecutive or non-consecutive years. The Auditor who has exhausted this period may not be reappointed before the lapse of three financial years from the end of the last financial year in which he worked as an auditor for the Company. The General Assembly may at any time remove the Auditors, without prejudice to their right to compensation if the removal is made at an improper time or without acceptable justification. The auditor may resign by a written notification submitted to the Company, and his mandate shall end from the date of such date submission or at a later date specified in the notification, without prejudice to the Company's right to compensation, if necessary. The resigned auditor shall provide the company and the Competent Authority – upon submitting the notification – to include justifications for his resignation, and the Board of Directors must call the General Assembly to convene to consider the reasons for resignation, appoint another auditor and determine its remuneration, term and scope of work.

#### Article (37): Auditor Powers

The Auditor shall have access at all times to the Company's documents, accounting records and supporting documents. The Auditor may also request information and clarification as it deems necessary. It may further check and confirm the Company's assets, liabilities and any other tasks that fall within the scope of its work.

The Board of Directors shall enable the Auditor to undertake its duties. The Auditor shall record any difficulties it may face in such regard in its report to the Board of Directors. If the Board of Directors does not facilitate the Auditor's work, the Auditor shall request the Board of Directors to convene the General Assembly to look into such matter. The Auditor may send such invitation if the Board of Directors does not send it within thirty (30) days from the date of the Auditor's request.

#### Chapter Six

#### Company's Accounts and Distribution of Profits

#### Article (38): Fiscal Year

The Company's fiscal year shall commence on first day of January and expire on the 31<sup>st</sup> of December of each Georgian year.

#### Article (39): Financial Documents

<p>1. The Board of Directors shall prepare the Company's financial statements at the end of each fiscal year together with a report of its activities and financial position for the preceding financial year. This report shall include the proposed method for distributing profits. The Board of Directors shall place such documents at the disposition of the Auditor at least 45 (forty-five) days prior to the date set for convening the General Assembly .</p>
<p>2. The Chairman, Company CEO, and Chief Financial Officer shall sign the documents referred to in Paragraph (1) of this Article. A copy thereof shall be placed in the Company's head office to be available for Shareholders.</p>
<p>3. The Chairman shall provide Shareholders with Company financial statements, the Board of Directors' report and the Auditor's report unless these reports are published in means approved by the competent authority in at least twenty-one (21) days prior to the date set for convening the General Assembly.</p>
<p><b><u>Article (40): Distribution of Profits</u></b></p>
<p>The Company's annual net profits shall be allocated as follows:</p>
<p>1. The Ordinary General Assembly may, in determining the dividend per share out of the net profits, resolve to form a reserve in an amount that achieves the Company's best interest or guarantees the constant distribution of profits to shareholders. The Ordinary General Assembly may also deduct an amount from the net profits to establish or support social institutions for the Company's employees or help such institutions.</p>
<p>2. The General Assembly shall set out the percentage of net profits that must be distributed to shareholders after setting aside reserves, if any.</p>
<p>3. The Company may distribute interim dividends to its shareholders on a semi-annual or quarterly basis after fulfilling the statutory requirements and instructions in this regard.</p>
<p><b><u>Article (41): Entitlement to Dividends</u></b></p>
<p>Shareholders shall be entitled to their share of profits pursuant to the General Assembly resolution adopted in this regard. Such resolution shall specify the entitlement date and distribution date. Shareholders registered in the shareholders register shall be entitled to their shares of profit by the end of the day of their entitlement.</p>
<p style="text-align: center;"><b><u>Chapter Seven</u></b></p> <p style="text-align: center;"><b><u>Disputes</u></b></p>
<p><b><u>Article (42): Claim of the Company and Shareholder</u></b></p>
<p>1. The company may file a liability claim against the Board Members for violating the provisions of the Companies Law or the Bylaws, and committing wrongful acts or negligence in the performance of their duties that result in damages to the Company. The General Assembly shall decide to file this claim and appoint a representative of the Company in the claim. If the Company is in the process of liquidation, the</p>

<p>liquidator shall file the claim. In the event that any of the liquidation procedures are initiated against the Company in accordance with the Bankruptcy Law, this lawsuit shall be filed by its legal representative.</p>
<p>2. One or more shareholder who represent five per cent (5%) of the Company's share capital may file a liability claim for the Company in the event that the Company does not file such claim, taking into account that the main objective of the filing is to achieve the interests of the Company, that the claim is based on a sound basis, the plaintiff is in good faith, and the plaintiff is a shareholder in the Company at the time of filing the claim. To file the claim referred to in this Paragraph, the Company's Board of Directors, as applicable, shall be informed of the intention to file the claim at least fourteen (14) days before the date of the filing.</p>
<p>3. a Shareholder may file a liability claim against the members of the Board of Directors if they have committed a fault which has caused some particular damage to such Shareholder.</p>
<p style="text-align: center;"><b><u>Chapter Eight</u></b></p> <p style="text-align: center;"><b><u>Dissolution and Winding-up of the Company</u></b></p>
<p><b><u>Article (43): Dissolution of the Company</u></b></p>
<p>Upon the expiry of the Company, it shall enter into liquidation period during which it shall maintain its legal personality to the extent necessary for liquidation. Optional liquidation may only be adopted by resolution of the Extraordinary General Assembly. The liquidation resolution shall appoint a liquidator and determine its powers, fees, restrictions of power and the period of liquidation, provided that optional liquidation period shall not exceed three years and cannot be extended without a judicial order. The powers of the Board of Directors shall cease upon the Company's approval of its liquidation, provided, however, that the Board of Directors shall remain responsible for the management of the Company and is deemed vis-à-vis third parties as liquidator until the liquidators are appointed. The General Assembly shall remain existent during the liquidation period and shall exercise its powers to the extent it does not conflict with the powers of the liquidator.</p>
<p style="text-align: center;"><b><u>Chapter Nine</u></b></p> <p style="text-align: center;"><b><u>Concluding Provisions</u></b></p>
<p><b><u>Article (44):</u></b></p>
<p>is the Company shall be subject to all laws in force in the Kingdom of Saudi Arabia. Any provision that contravenes the Companies law in these Bylaws is null and the Companies Law shall apply in such respect. All matters not governed by these Bylaws shall be governed by the Companies Law and its Implementing Regulations.</p>
<p><b><u>Article (45):</u></b></p>
<p>The Articles shall be placed and published in accordance with the provisions of the Companies Law and its Implementing Regulations.</p>