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ترجمة
TRANSLATION

أطلس

للترجمة المعتمدة
نايف سفاح الصحن

ترخيص انجليزي ٨١ - ترخيص فرنسي ٥٤٨
رقم العضوية ٢٧٩٦٤ س.ت ١٠١٠٤٦٥٩٧٤
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TRANSLATION CERTIFICATE

شهادة بصحة ترجمة

It is hereby certified by Atlas Translation Office, that the attached translation is correct and genuine to our best knowledge and belief.

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In witness whereof, we put our hand and seal on the date above mentioned.

إشهادا على ذلك تم التوقيع على هذه الشهادة من قبل مدير المكتب ومهرها حسب الأصول بختم المكتب في التاريخ المذكور بمسئلتها.

*N.S. Sahan
Office Manager
Atlas Translation*

مدير المكتب
نايف سفاح الصحن



تقتصر مسئولية المكتب فقط ضمن حدود قيمة الترجمة

هذا لا يضمن صحة الترجمة ولا يضمن عدم مسؤولية المترجم عن مصداقية الوثيقة المترجمة المرفقة

Dar Al-Arkan Real Estate Development Company

A Saudi Joint Stock Company

Articles of Association

CHAPTER I

The Formation of the Company

Article 1: Incorporation of the company

This company was established as a Saudi Joint Stock Company in accordance with these Articles of Association, the Saudi Companies Law and its implementing regulations as per the following provisions:

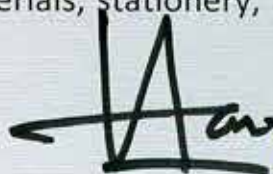
Article 2: Name of the company

The name of the Company is: DAR AL-ARKAN REAL ESTATE DEVELOPMENT COMPANY (a listed joint stock company).

Article 3: Objectives of the company

The objects of the Company include:

- 1- Property management and real estate investment.
- 2- Purchasing, owning and selling of real estates and lands for the Company's account.
- 3- Purchasing land, constructing buildings on it and investing it by selling or leasing for the Company's account.
- 4- General contracting of residential, commercial, and tourist buildings (construction, repair, demolition, and restoration).
- 5- Investing, owning, and managing recreational centers, sports and tourist facilities, hotels, hospitals, medical centers, commercial centers, and industrial cities and projects.
- 6- Wholesale and retail trading in sanitary materials, plumbing, electrical tools, paints, building materials, stationery, automotive whether in cash or installments.



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The company shall pursue its business in accordance with the applicable laws and regulations after obtaining the required licenses and permissions from the competent authority (if any).

Article 4: Partnership and ownership in other companies

The company may establish other subsidiaries or associate companies of limited liability or joint venture as per the Companies Law. Company may also own shares in or amalgamates with other existing companies. Company shall have the right to have partnerships of joint stock or limited liability companies after satisfying the requirements of the applicable rules and regulations. The company shall deserve the right to dispose of these shares provided that no mediation or brokerage is involved in trading them.

Article 5: Company's Head Office

The Head Office of the Company shall be in Riyadh city. The Board of Directors of the Company may establish branches or agencies or subsidiaries in the Kingdom of Saudi Arabia and abroad.

Article 6: Term of the company

The duration of the Company shall be (99) ninety-nine Gregorian calendar years commencing on the date of the decision made by His Excellency, Minister of Commerce and Investment announcing the incorporation of the Company. It may always be extended thereafter by a decision passed by an Extraordinary General Meeting at least one year before the end of the said term.

CHAPTER II

Capital and Shares

Article 7: Capital

The Share Capital of the company shall be ten billion eight hundred million Saudi Riyals (SR 10,800,000,000) divided into (1,080,000,000) one billion eighty million shares of equal nominal value of SR. 10 (ten Saudi Riyals) each, all of which will be ordinary cash shares.

Article 8: Subscription

Subscription has been covered for the complete (1,080,000,000) one thousand eighty million shares which have been paid up in full.

Article 9: The preferred shares

The Company may ,in accordance with guidelines set by the competent authority issue, purchase or convert ordinary shares into preferred shares not exceeding 10% of Company's capital or converting the preferred shares into ordinary shares. Owners of the preferred shares shall have no voting rights at all. Alternatively, holders of such shares shall be granted more percentage of net profits than holders of ordinary shares, after deducting statutory reserves.

Article 10: Sale of unpaid shares

If a shareholder fails to pay the value of a share on the prescribed dates, the Board of Directors (BoD) may, after notifying the shareholder by a registered letter, sell the share in a public auction or in capital market as per the prevailing conditions and in accordance with controls set by the competent authority.

The company shall settle the amounts due to it on the shares from the sale proceeds and return the remainder to the shareholder. If the amount of the sale proceeds is not enough to settle the due amount, the company may settle the remainder from all the property of the shareholder.

However, the defaulter may, up to the date set for the auction, pay the due value in addition to the expenses spent by the Company.

The company may cancel the sold share and give the buyer a new share bearing the number of the cancelled Share and an entry of such share shall be made in the Register of the shares with the name of the new holder.

Article 11: The shares

The shares are nominal and may not be issued at less than their value. However, Shares may be issued at a higher value, and in such case the difference in amount shall be added to shareholders' equity and not to be distributed as dividends to shareholders. Share is indivisible as far as the company is concerned. If a share is jointly owned by several persons, they should select one of them to exercise on their behalf the rights pertaining to the share and such persons shall be jointly liable for all obligations arising from their ownership of the share.

Article 12: Company purchases, sells and mortgages its own shares

The company may purchase or mortgage shares in compliance with Sharia'a law and directives of the competent authority. The shares bought by the company

shall have no voting rights in the meetings of shareholders. The company is entitled to buy its own shares for the purpose of allotting them to its employees as part of staff shares program in alignment with instructions issued by the competent authority. The company may also sell treasury shares one time or at many phases as per applicable regulations.

Article 13. Trading of shares

All company's shares are tradable as per the capital market law and its implementing regulation and in accordance with the rules and instructions issued by the competent authority.

Article 14: Increase of capital

- 1- The Extraordinary General Assembly shall have the right to increase company's capital provided that the original Capital has already been paid up in full. This full payment of capital is not conditional if the unpaid part of the capital pertains to shares issued in return for converting debt instruments or financing bonds into shares and the period allowed for that conversion is not yet expired.
- 2- The Extraordinary General Assembly shall, under all conditions, have the right to allot the issued shares for the increase of capital or part of them to the employees of the company and its subsidiaries or some of them. The shareholders are not entitled to exercise the priority right when company issues shares devoted for its employees.
- 3- The shareholders shall, upon the issuance of the capital increase resolution by the Extraordinary General Assembly, have the priority to subscribe to the new shares. Such shareholders shall be notified of their priority to subscribe and the conditions thereof as well as dates, by advertisement in a daily newspaper or by registered mail.
- 4- The Extraordinary General Assembly shall have the right to stop working with priority for shareholders in subscribing to capital increase in return for cash portions and giving that priority to non-shareholders in cases perceived beneficial to the company.
- 5- The shareholder shall have the right to sell or transfer his right of priority during the period from the issuance of the Extraordinary General Assembly's resolution approving the increase of capital to the last date of

subscription in the new shares relating to these rights, as per the rules by the competent authority.

- 6- Notwithstanding the above paragraph (4), the new shares shall be divided among the holders of the priority rights who have asked for subscription in proportion to what they have of priority rights caused by capital increase, provided that the new shares allotted to them should not exceed the number of shares requested by them. The remainder of the new shares shall be divided among the shareholders with priority rights who asked for more than their portion, in proportion to their priority rights caused by capital increase, provided that the shares allotted to them should not be more than what they asked for. The remaining shares, if any, shall be placed for public subscription unless otherwise determined by the Extraordinary General Assembly or capital market rules and regulations.

Article 15: Reduction of share capital

The Extraordinary General Assembly may decide to reduce company's capital if it exceeds the needs of the Company, or if the Company has incurred losses. Only in the last case capital may be reduced to less than the limit stipulated in Article (54) of the Companies Law. The resolution of capital reduction shall not be issued unless a special report is made by company's accounts auditor specifying the reasons, implications and obligations caused by that reduction of capital. If the reduction is a result of an excess of the Capital beyond the Company's needs then the creditors shall be invited to make their objections, within sixty days from the date of publication of the reduction resolution in one or more daily newspapers distributed in the city of the Company's head office. If any one of them objects and submits his supportive documents thereto, within the aforesaid date, the Company shall pay all its debt if matured or give him sufficient security to pay the same when it becomes due.

CHAPTER III

Sukuk and Bonds

Article 16: Sukuk and Bonds

The Company may issue Sharia'a-compliant, tradable and indivisible sukuk and bonds of equal value pursuant to the provisions of the Companies Law.

CHAPTER IV

Board of Directors (BoD)

Article 17: Management of the Company

A Board of Directors consisting of (6) six members, to be appointed by Ordinary General Assembly for not more than three-year term, shall manage the Company. The remunerations of the BoD members and their authorities shall be as stipulated in the Articles of Association.

Article 18. BoD membership expiry

Board membership shall expire by expiry of its term If the member becomes ineligible for membership according to the provisions of any law in force in the Kingdom of Saudi Arabia. the Ordinary General Assembly may, at any time, dismiss all or some of the BoD members without prejudice to any of the rights of the dismissed member to claim be indemnified if dismissal is without cause or occurred in an inappropriate time. The board member may resign provided that the resignation is made in a reasonable time otherwise he/she shall be liable for any harm to the company caused by that resignation.

Article 19: BoD vacancies

If, for any reason, the seat of any director, within his term, becomes vacant, the BoD may temporarily appoint one of the shareholders, who is eligible for membership, to the vacant seat to assume his functions immediately, provided that the Ministry of Commerce and Investment and the Capital Market Authority shall be notified of that appointment within five working days from the appointment date. Furthermore, the appointment of the temporary member shall be submitted to the Ordinary General Assembly at its first meeting for approval. In all cases, the new member shall continue the remaining term of his predecessor. Should the number of members drop below such limit, the Ordinary General Assembly shall be convened within 60 sixty days to appoint the requisite number of members.

Article 20: The powers of the BoD

Taking into account the powers conferred on the General Assembly, the BoD or its assignee shall have the widest authority to manage the Company, draw its policies, determine its investments, supervise its business and finance, conduct its business inside and outside the Kingdom and take all actions that benefit the company and serve its interests including, but not limited to:

Registration of agencies and brands; obtaining, amending and cancelling commercial registrations; subscribing to the Chamber of Commerce membership;



receiving and delivering commercial registration certificates, licenses, deeds, clearances, commercial docs, checks and any other documents; finalizing all procedures concerning the company at ministries and other government agencies and public and private organizations inside and outside the Kingdom; entering into or terminating any partnerships or agreements of joint or associate projects; incorporation, acquisition, disposal of, restructuring or merging any subsidiary of the company and disposing of its assets, properties and real estates by any means; establishing or closing any subsidiary, office or agency; signing, approving, terminating or amending any agreements, contracts, tenders, offers, minutes, records, commercial, financial and administrative transactions and any other docs including agency, distribution and enfranchisement contracts; in addition to the collection of company dues and payment of its debts; signing in the name and on behalf of the company the contracts of incorporation of partner companies and all amendment decisions including, but not limited to the decisions of capital increase and reduction, changing company objectives, quitting of a partner, waiving rights and accepting price; amending any articles of the incorporation contracts of the partner companies; opening new branches and appointing their managers or liquidating them; cancelling their commercial registration or disposing of their assets, properties and real estates before the Ministry of Commerce and Investment, the General Investment Authority, the Notary Public, the Ministry of Interior and any other agency or third party; opening, managing depositing in, withdrawing from and closing bank accounts; opening and settling letters of credit; issuing any required bank guarantees; signing all documents, checks and bank transactions; concluding borrowing and financing contracts of all types whatsoever are their terms and approving all financial transactions with Saudi and non-Saudi funds, government and private financing institutions, banks, finance houses and credit companies; purchasing, selling, mortgaging, renting and leasing lands and properties; buying, selling and redeeming current and non-current assets in the name and on behalf of the company; signing and releasing deeds and contracts of that properties; making the required payments; partitioning properties and deeds; amending deeds and replacing lost and damaged deeds; receiving and delivering deeds; sorting, merging and selling lands, segregating buildings, villas and lands and issuing separate deed for each residential unit and selling it before or after segmentation; investing company money including, without limitation, opening, managing, activating and closing portfolios, funds and investment accounts; selling and purchasing securities and signing all related contracts and documents; appointing members of the executive management including the Chief Executive Officer and the Chief Finance Officer



selected from the staff managers or otherwise and determining their powers and remunerations.

The BoD shall have the right, in its sole discretion, to release the Company's debtors from their obligations, as it deems appropriate.

The BoD may form, from among its members, specialized committees and determine the functions and remunerations of the members of these committees. The board may assign or empower one or more of its members or any third party with the authority to assume a specific job, take action or carry out certain work(s), and to cancel this authorization or assignment partially or wholly.

Article 21: Remunerations of the BoD members

The remuneration of the members of the Board is composed of specified amounts, particular bonuses or certain percentage of net profits or retained earnings as determined by the BoD, recommended by the Remunerations Committee and approved by the General Assembly within the limits stipulated in the Companies Law or any complementary regulations, resolutions or instructions. In addition to attendance allowance and transportation allowance as determined by the BoD taking into account the regulations, resolutions and instructions applied in the Kingdom issued by the competent authority. The report of the BoD to the General Assembly shall include an all-inclusive statement of what the members of the Board have obtained throughout the year as salaries, bonuses, attendance allowances, expenses and other benefits. The aforesaid report shall also include a statement of the amounts received by the members of Board in their capacity as employees or administrators or what they have received for technical, administrative or consultation works, as well as the number of board sessions and the meetings attended by each board member from the date of the last General Assembly meeting.

Article 22: Powers of the Chairman, Managing Director and Secretary

The BoD shall appoint a chairman and deputy chairman from among its members. The BoD may appoint one of its members as Managing Director. The Chairman shall not hold any executive position in the company.

The Chairman and the Deputy Chairman, in the absence of the former, shall have the powers that enable them to perform their duties including: representing company and signing on its behalf before the Notary Public and courts of different

types; representing company before all official agencies, government entities, ministries, public and private organizations, individuals, companies, banks and others and delegating others to do the same.

Moreover, the Chairman, Deputy Chairman and Managing Director (if appointed) severally or jointly, and within the term and authorities of the BoD, shall decide on all company affairs as allowed by rules and regulations, such as, without limitation: entering the company into partnership with other companies; signing incorporation contract and any amendments thereof concerning increase or reduction of capital; changing company objectives; quitting of a partner; amending any articles of incorporation contracts and liquidating the partner companies before the Ministry of Commerce and Investment , the General Investment Authority, the Notary Public, the Ministry of Interior and any other agency or third party; opening new branches and appointing and dismissing their managers; obtaining and cancelling commercial registration certificates and licenses; signing all agreements, contracts, tenders, offers, resolutions, minutes, records, bank accounts and others; declaring and borrowing any amounts; opening and closing bank accounts, withdrawal and depositing; opening letters of credit; receiving and delivering all documents and commercial registration certificates; signing all required docs in the name of the company, receiving company profits and signing the respective documents; accepting shares and portions relinquished for the benefit of the company or its partners; waiving company share in partner companies; selling, purchasing and delivering products; receiving the value and delivering the valued; mortgaging and redemption; obtaining deeds for all company properties, giving evidence and signing for that on behalf of the company, requesting amendment of deeds with regard to boundaries and areas by omission and addition; signing all of the above; carrying out the aforesaid functions; delegating others to perform some of the abovementioned duties, dismissing them, and allowing them to authorize others to do the same.

Beside that, the Managing Director shall assume other powers determined by the BoD, and has to execute any instructions issued to him/her by the BoD in alignment with their powers stipulated in these Articles of Association.

The BoD shall determine, in its sole discretion, the remunerations of the Chairman, Deputy Chairman and the Managing Director, that might be specified amounts, particular bonuses or certain percentage of net profits or retained earnings in the light of their duties specified in these Articles of Association, in

addition to the remunerations for the board directors stipulated in Article (21) of these Articles of Association.

BoD shall appoint a secretary to be chosen from members or non-members of the Board to record and keep minutes of board meetings, record and keep resolutions issued in these meetings, and perform any other duties assigned to him/her by BoD. Remunerations of the secretary are determined by the BoD.

The term of office of the Chairman, Deputy Chairman, Managing Director, director and secretary shall not exceed their respective terms as members of the Board and they may be reappointed. The BoD may dismiss any of them at any time without prejudice to the dismissed member's right to be indemnified if dismissal caused any inconvenience.

Article 23: Board meetings

The BoD shall convene at least twice a year upon notice issued by the Chairman of the Board. Such notice shall be delivered to all members by registered mail, fax or email within a sufficient time ahead of the meeting date. The Chairman may call for a meeting upon the request of two members of the Board.

Article 24: Quorum of Board meetings

The Board meeting shall not be valid unless it has been attended by at least half members that the attendants in person shall not be less than 3 members. A member (director) may delegate another member (director) to represent him in attending the meeting with the following conditions:

- a. A director is not allowed to represent more than one board member in the BoD meeting.
- b. Proxy shall be evidenced in writing.
- c. Absentee members' attendee via proxy shall not vote on resolutions that the law bars the principle to vote on.

BoD resolutions shall be decided by majority vote of the attendees and representatives. If votes are equal then the side of the Chairman or his representative shall prevail. The Board may, in case of necessity or urgency, decide its resolutions by passing them to its members individually and separately, unless one of the members requests in writing that the Board be convened to

deliberate on such resolution; these resolutions shall be presented to the Board at the first succeeding meeting.

Board meetings may be convened with the participation of board members in deliberations and voting via modern technologies.

Article 25: Deliberations of the BoD

The deliberations and resolutions of the Board meetings shall be recorded in minutes to be signed by Chairman and all attending members as well as board secretary. Such minutes shall be recorded in a special register to be signed by the Chairman and the Secretary.

CHAPTER V

General Assembly

Article 26: Attendance of General Assembly

Each shareholder shall have the right to attend the General Assembly. A shareholder may, in writing, give a proxy to another shareholder, other than members of the Board of Directors or company employees, to represent him in attending an Ordinary General Assembly as per the rules set by the competent authority.

Article 27: Powers of the Ordinary General Assembly

Except for matters falling within the competence of the Extraordinary General Assembly, the Ordinary General Assembly shall be competent in all matters related to the Company. It shall convene at least once a year within six months of the end of the Company's fiscal year. Another Ordinary General Assembly meeting may be convened whenever the need arises.

Article 28: Powers of the Extraordinary General Assembly

The Extraordinary General Assembly shall be competent to amend the Company's Articles of Associations except those provisions which it is forbidden by law to amend. It shall be also competent to issue resolutions on matters within the competence of the Ordinary General Assembly subject to the same conditions and stipulations prescribed for the Ordinary General Assembly.

Article 29: The Convening of the General Assembly:

The General Assembly of shareholders shall convene upon notice by the BoD. The Chairman must call a meeting of the Ordinary General Assembly whenever requested by the Auditor or by a number of shareholders representing at least 5% of the Capital. The Auditor may call for that meeting if the BoD did not call for the meeting within 30 days from the date of auditor request for calling for meeting.

Notice for General Assembly meeting shall be published in at least one daily newspaper distributed in the city where the Company's Head Office is located, at least 21 days prior to the date set for the meeting. The notice including the agenda shall be sent to the Ministry of Commerce and Investment and Capital Market Authority within the period set for publication.

Article 30: Record of assembly meeting

Shareholders interested to attend the General Assembly shall register their names at the company's head office before the date of the meeting.

Article 31: Quorum of the Ordinary General Assembly

General Assembly meeting shall not be valid unless it is attended by shareholders representing at least a quarter of the Company's Capital. If such quorum is not achieved in the first meeting, a notice of a second meeting shall be made as per the following:

- a) After one hour from the expiry of the scheduled timing for the first meeting, provided that the notice for the first meeting shall indicate that a second meeting may be called for; or
- b) Within thirty days after the previous meeting. The meeting notice shall be published in the same manner stipulated in Article 29 of these Articles of Association.

The second meeting shall be deemed valid irrespective of the number of shareholders represented therein.

Article 32: Quorum of the Extraordinary General Assembly

A meeting of the Extraordinary General Assembly shall not be valid unless it is attended by shareholders representing at least half of the Company's Capital. If such quorum is not available in the first meeting, a notice of a second meeting shall be made with the following conditions:



- a) After one hour from the expiry of the scheduled timing for the first meeting, provided that the notice for the first meeting shall indicate that a second meeting may be called for; or
- b) Within thirty days after the previous meeting. The meeting notice shall be published in the same manner stipulated in Article 29 of the Articles of Association.

The second meeting shall be deemed valid if attended by shareholders representing at least a quarter of the Capital.

If quorum is also not available in the second meeting a call is made for a third meeting to be convened with the same conditions stipulated in Article 29 of these Articles of Association. This third meeting shall be valid whatsoever the number of shares represented in the meeting as approved by the competent authority.

Article 33: Voting in General Assembly

Each shareholder shall have one vote for each share he/she holds. Votes shall be counted in all general assemblies on the basis of one vote for each share. In voting in the General Assembly for the nomination to the board members, the accumulative voting method shall be applied.

Article 34: Resolutions at the General Assembly

Resolutions at the Ordinary General Assembly shall be adopted by the absolute majority vote of the shares represented in the meeting.

The resolutions of the Extraordinary General Assembly shall be decided by two thirds majority of the shares represented at the Assembly, unless the resolution is related to increase or reduction of the Capital, the extension of the Company's term, the dissolution of the Company before the term specified in its Articles of Association, or the merger of the Company with another company or firm, in which cases the resolution shall not be valid unless it is passed by shareholders holding a majority of three-quarters of the shares of the Company's Capital represented at the Assembly meeting.

Article 35: Discussions at assemblies

Each shareholder shall have the right to discuss matters specified in the meeting's agenda and to raise inquiries thereon to the members of the BoD and company's





accounts auditor. The Board of Directors or the auditors shall answer the shareholder's questions to the extent which does not damage the Company's interests. If a shareholder thinks that an answer to his inquiry is not convincing, he can appeal to the Assembly and its decision in this regard shall be conclusive.

Article 36: Chairmanship of the General Assembly and Its Procedure:

The General Assembly shall be presided over by the Chairman of the Board of Directors or his/her deputy when Chairman is absent or a Director authorized by the Chairman of Board of Directors in case of their absence. The Chairman shall nominate a secretary for the meeting and one or more vote collectors.

The minutes of the General Assembly meeting shall be recorded, and shall indicate the names of the shareholders present in person or represented, the number of shares they hold personally or by proxy, the votes allotted thereto, the resolutions taken, the number of votes in favor of or against such resolutions and an adequate summary of the discussions which took place in the meeting. Such minutes shall be regularly recorded, after each meeting, in a special register to be signed by the Chairman of the Assembly, its secretary and the vote collectors.

CHAPTER VI

Audit Committee

Article 37: Formation of the Committee

The Audit Committee is formed by a decision issued by the Ordinary General Assembly as composed of at least 3 non-executive directors whether shareholders or otherwise. The decision shall outline the functions of the committee, its rules and remunerations of its members.

Article 38: Quorum of the Audit Committee meetings

Meetings of the Audit Committee shall be valid only if attended by the majority of the members, and resolutions shall be issued and adopted by majority vote of members present. In the event of a tied vote, the Chairperson of the Committee has a casting vote.

Article 39: Functions of the Audit Committee



The Audit Committee is concerned with all aspects of company business. It shall at all times have access to the Company's books, records and any other documents. It shall have the right to request any particulars and clarifications from the BoD or executive management and request the BoD to call for a general meeting if the BoD constrained its work or company is exposed to severe damage or loss.

Article 40: Audit Committee reporting

The Audit Committee shall oversee company's financial statements, reports and notices presented by the accounts auditor, make reflections (if any) on them. It shall prepare a report showing its opinion on the efficiency of the company's internal control system and other functions it undertook. The BoD shall deposit sufficient copies of this report at company's head office at least 21 days before the meeting of the General Assembly so as to provide each interested shareholder with a copy. The report shall be read during the meeting.

CHAPTER V11

Accounts Auditor

Article 41: Appointment of auditors

The Company shall have one auditor or more to be appointed annually by the Ordinary General Assembly from among approved Chartered Accountants licensed to operate in the Kingdom of Saudi Arabia. The General Assembly shall determine their remuneration and term of office, and it may re-appoint or replace them without prejudicing their rights to be indemnified if the replacement took place in an inappropriate time or for no cause.

Article 42: The Powers of Auditors:

The Auditors shall at all times have access to the Company's books, records and any other documents. They should have the right to request any particulars and clarifications which they deem necessary to obtain. They shall also have the right to verify the Company's assets and liabilities. The Chairman shall enable them to do all the aforesaid. If the auditors faced any difficulties in that regard they should report that to the BoD. If the BoD did not facilitate the work of auditors, the latter shall request the BoD to call for an Ordinary General Assembly meeting to look into that issue.

CHAPTER VIII

Company Accounts and Distribution of Profits

Article 43: The fiscal year

The Company's fiscal year shall start from the first day of January and end at the end of December of each year. The first financial year shall include the period which starts from the date of the resolution of the Minister of Commerce and Investment converting the Company and end on 31/12/2005.

Article 44: The financial documents

1. The Board of Directors shall prepare at the end of each fiscal year the financial statements of the company and a report of company's activities and its financial position for the ending year. Such report shall include the proposed manner of distributing the net profits. The BoD shall put these documents at the disposal of the auditors at least (45) forty-five days prior to the date set for the General Assembly meeting.
2. The Managing Director and Chief Finance Officer shall sign the aforesaid documents in paragraph (1). A copy of such documents shall be kept at the Company's Head Office at the disposal of shareholders at least 21 days prior to the date set for the General Assembly meeting.
3. The Chairman of the BoD shall provide shareholders with the company's financial statements, BoD report and full text of the auditors report unless such docs are published in at least one daily newspaper of general circulation in the city where the Company's Head Office is located. A copy of these documents shall be submitted to the Ministry of Commerce and Investment and the Capital Market Authority at least fifteen days prior to the date set for the General Assembly meeting.

Article 45: Distribution of profits

The Company's net profits shall be distributed after deduction of all general expenses and other expenses including Zakat in the following manner:

1. Ten percent (10%) of net profits shall be set aside to build up a statutory reserve. The Ordinary General Assembly may stop or reduce the rate of this deduction for reserve if the statutory reserve has reached an amount equal to thirty percent (30%) of the paid capital.

2. The Ordinary General Assembly may, according to the recommendation of the BoD, set aside an equal rate of net profits to build up an agreed-upon reserve to be allotted for certain purpose(s).
3. The Ordinary General Assembly may resolve to build up other reserves to the extent that benefits the company or allows for the distribution of fixed profits to shareholders. The Ordinary General Assembly may also cut from the net profits certain amounts to be used for the establishment of social institutions for company employees or for assisting the existing institutions.
4. The Ordinary General Assembly may decide, according to the recommendation of the Bod, to distribute from the remainder an amount not exceeding 1% of the paid capital to the shareholders.
5. The Ordinary General Assembly may decide, according to the recommendation of the Bod, to distribute the remainder to the shareholders as additional share of profits at the rate recommended by the BoD and approved by the General Assembly.
6. The company may make periodical distribution of profits to its shareholders: half-yearly or quarterly in accordance with the rules and instructions issued by the Capital Market Authority. This is done in the light of a delegation issued by the Ordinary General Assembly to the BoD to distribute profits at stages. This delegation shall be annually renewed.

Article 46: Eligibility for profits

The shareholder qualifies for a share of profits according to the resolution of the General Assembly issued on this matter. Such resolution shall indicate the date of entitlement and date of distribution. The eligibility for profits is a right for the shareholders registered in company's register of shareholders at the end of the day scheduled for entitlement.

Article 47: The distribution of profits to the owners of the foundation stakes

1. If profits are not distributed for any fiscal year no profits for the next years shall be distributed unless the specified rates for the shareholders of the foundation stakes are distributed for that year subject to the provisions of the Article 114 of the Companies Law.
2. If the company failed to pay the profit rates stipulated in Article 114 of the Companies Law for three consecutive years, the assembly of these owners

of the foundation stakes held according to the provisions of Article 89 of the Companies Law shall decide either these owners attend the company's general assembly meeting and have a voting right or that they appoint representatives for them in the BoD proportional to their shares in the capital till the company is able to pay the priority profits devoted for these owners of foundation stakes for the previous years.

Article 48: Company losses

1. If the company losses amounted to contribute half of its paid capital, anytime during fiscal year, the person in charge of company management or the accounts auditor shall immediately notify the Chairman who has, within 15 days of being notified, to immediately notify the BoD. The BoD shall call for an Extraordinary General Assembly meeting to be convened within 45 days from being notified of company losses so as to decide on increasing or reducing company capital in accordance with the provisions of the Companies Law to the extent that brings the losses to less than half of paid capital or dissolving the company before the expiry of its term stipulated herein.
2. According to the provisions of the Companies Law the company expires if the General Assembly failed to convene a meeting within the period stated in paragraph (1) of this Article , or that the meeting is held but can not pass a resolution on that matter or it decided to increase the capital in view of the situation therein and no underwriting took place for the whole of capital increase amount within 90 days from the date of issuing the resolution of increasing capital.

Chapter IX Conflicts

Article 49: Liability claim

Any shareholder may institute an action to claim liability against the members of the BoD if the fault caused by them could lead to particular damage to him, provided that the right of the company to institute such claim is still sustained.

The shareholder shall notify the company in writing of his intention to file the action.

Chapter X

Company's Dissolution and liquidation

Article 50: Termination of the Company

The Company, as soon as it expires, enters into the phase of liquidation and retains the legal personality to the extent necessary for the liquidation and issuance of optional liquidation resolution by the Extraordinary General Assembly. The liquidation decision shall indicate the appointment of liquidator, its powers, fees and restrictions as well as the period required for liquidation. The optional liquidation period shall not exceed five (5) years and shall not be extended beyond that period except by court order. The powers of the BoD shall cease upon the dissolution of the Company. However, the BoD shall continue to manage the company and considered by others as acting liquidators until a liquidator is appointed. On the other hand, the general assemblies shall remain during the liquidation, continuing to carry out their functions that do not conflict with the powers of the liquidator.

CHAPTER XI

Concluding Provisions

Article 51: The Companies Law

The Companies Law and its implementing regulations shall apply on all the provisions of these Articles of Association.

Article 52: Publication

These Articles of Association shall be deposited, distributed and published in accordance with the provisions of the Companies Law.