

**Bylaws of Lazurde**  
**(Public Joint-Stock Company)**

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**Part (1):**

**Clause (1): Incorporation of the Company**

In accordance with this Bylaw, provisions of Companies Law and its regulation, it is hereby established a Saudi Joint-Stock Company in accordance with the following:

**Clause (2): Company Name:**

Lazurde(Listed Public Joint-Stock Company).

**Clause (3): Company Purposes:**

The practices and implements the following purposes:

- A. Production, manufacturing, shaping of gold, jewelry, Gold bars, precious stones and gold sets crowned with precious stones.
- B. Wholesale and retail trade of precious minerals, precious stones, gold jewelry and goldsmiths.
- C. Participating in the incorporation of companies with a controlling share.
- D. Wholesale and retail trade in gold and jewelry machinery.
- E. Production and manufacture of glasses, watches, accessories, pens, perfumes and leather products.
- F. Gold bars.
- G. Exportation of goldsmiths and gold and silver bars.
- H. Production, manufacture and sale of diamond and diamond jewelry.
- I. Contracts of maintenance, cleaning and operation of buildings, factories, and gold and jewelry machinery.
- J. Obtaining intellectual property rights, franchise agreements, commercial agencies, copyrights, its management, distribution and use, such as; patent, international and local trademarks and other copyrights, using and leasing them to its affiliated companies and otherwise.

- K. Trade, distribution, exportation and importation of ready-made clothes and Al-Ashmagh.
- L. Trade and distribution of products made of silver, also supplies and accessories of man clothes made of silver and other minerals which include sleeves buttons, rings, bracelets, wallets and pens.
- M. Works of refinery and refinement of pure gold from mineral and stuck impurities by using technological means and advance chemistry in order to obtain pure gold in the form of bars.
- N. The company practices its activities in accordance with the followed laws and after obtaining the licenses necessary from the competent authorities, if any.

**Clause 4: Participation and Ownership in Companies:**

The Company may establish, by itself, other limited liability or joint stock companies. The Company may also have an interest or participate by any shape or form with entities or companies that practice works similar to its own or might assist it to realize its purpose. It also may own stocks and shares in other existing companies or merge with them and it is entitled to participate with third party to incorporate joint-stock or limited liability companies and that after fulfilling the requirements of the laws and regulations followed in this regard. The company may dispose these stock and shares provided that this does not include acting as a broker in its trade.

### **Clause (5): Company's Headquarter:**

The company headquarter is located in Riyadh and its chairman of board of director or the executive chairman may establish branches, offices or agencies therefore inside or outside the Kingdom of Saudi Arabia by a resolution issued by the board of directors.

### **Clause (6): Company's Term**

The duration of the company is indefinite starting from the date of its registration in the Commercial Register.

## **Part (2): Capital and Shares**

### **Clause (7): Capital:**

The company may have an authorized capital, which is not less than the issued capital, which amounts (575,000,000) Saudi riyals, five hundred and seventy five million Saudi riyals divided into (57,500,000) fifty -seven million five hundred thousand shares divided into trading shares, the nominal value of each of them is (10) Saudi riyals, all of which are regular shares of equal value. The shares may be divided into shares of lower nominal value, or merging them as they represent shares of a higher nominal value.

### **Clause 8: Subscription to Shares**

The shareholders have subscribed to the entire capital shares of the Company, which are (57,500,000) fifty-seven million and five hundred thousand shares. The whole value of such shares has been paid in full.

### **Clause (9): Sale of Partly Paid-up Shares**

A shareholder shall pay the value of a share at the specified dates. If a shareholder fails to pay on the due date, the Board may, after notifying such shareholder by registered mail sent to their address as recorded in the shareholder register, sell such share in a public auction or in the capital market, as the case may be, in accordance with the rules set by the competent authority. However, the failing shareholder until the date set for the auction – may pay the due value in addition to the expenses spent by the company, whereas the company fulfills from the sale the amounts due to it and return the remaining amount to the holder of share. If the sale was not enough to fulfill these amounts, the company may fulfill the remaining amounts from the shareholder funds, as the company terminates the

sold share and grants the buyer a new share holds the number of the terminated shares and notate thereby in the Shareholders' Register.

**Clause (10): Issuance of Shares:**

The shares are nominal, and they may not be issued for a value lesser than their nominal value, however, it may be issued with higher than this value according to the approval of the Extraordinary General Assembly in accordance with the provisions of the Companies Law and the terms of the company's Bylaw, and in the latter case, the value difference shall be added in independent item among shareholders' rights and it may not be divided as profits on shareholders. The share is indivisible against the Company. If a share is owned by multiple persons, they shall select one of them represent them in exercising the rights relating to the share. These persons shall be jointly liable for the obligations arising from the share ownership.

**Clause (11): Shares' Trade**

The company's shares are traded in accordance with the provisions of the Capital Market Law and its implementing regulations.

However, during the ban period, the shares' ownership may be transferred in accordance with the rights of selling rights from one of the founders to another founders or the heirs of one of the founders in the event of his death or in the event of execution on the bankrupt or insolvent founder funds, whereas the priority of the ownership of these shares shall be to the other founders.

The provisions of this Clause are applicable to what is the founders subscribed to in the event of increasing the capital before the expiry of ban period.

**Clause (12): Shareholders' Register:**

The nominal shares are traded by registration in the Shareholders' Register managed by Securities Depository Center at Saudi Stock Exchange (Tadawul) that includes their names, nationalities, professions, residencies, addresses, shares' numbers and amounts paid therefrom and this registration shall be notated on the shares, as the transfer of the share ownership shall be approved against the company or third party from the date of registration in said register or completing the procedures of ownership transfer via the electronic system of shares information of Saudi Stock Exchange (Tadawul). The subscription in stocks and its ownership is registered by the shareholder approval of the company bylaws and his compliance with the resolutions issued by the Shareholders'

Assembly in accordance with the provisions of this bylaw whether he was attending or absent and whether he approved or rejected these resolutions.

**Clause (13): The Company Repurchasing Its Shares, Selling and Mortgaging Them:**

- 1) The company may purchase its shares or mortgaging it with the approval of the Extraordinary General Assembly in accordance with the controls set forth by the relevant regulations and controls issued by the competent authorities and the shares purchased in the company do not have votes in the shareholders' assemblies.
- 2) The company may repurchase its shares whether to use them to reduce its capital or as a treasury shares in accordance with the relevant regulations and controls issued by the competent authorities.
- 3) The company may repurchase its shares for the purpose of allocating them to the company employees among the employees' shares program, in accordance with the relevant regulations and controls issued by the competent authorities.
- 4) The company may sell treasury shares with single or multiple stages in accordance with the relevant controls issued by the competent authorities.
- 5) The company may mortgage its shares as a guarantee for debt in accordance with the controls set forth by competent authorities.
- 6) Without prejudice to other relative laws and regulations, whoever is entitled to own the company shares or possess them for the interest of a third party may mortgage them in accordance with the controls set forth by competent authorities, whereas the creditor mortgagee will be entitled to receive the profits and use the rights associated with the share, unless otherwise was agreed upon in the mortgage contract. However, the creditor mortgagee may not attend the meetings of the Shareholders' General Assembly or vote therein.

**Clause (14): Capital Increase**

The Extraordinary General Assembly may decide to increase the company's capital, either issued or authorised (if any), by issuing new shares with the same nominal value for the original shares or by one of the methods stated in Companies Law provided that the issued capital is fully paid and it is not necessarily required that the capital shall be fully paid, if the unpaid part of the capital returns to shares already issued in exchange for converting debt instruments or financing instruments to shares are not completed after the period prescribed for converting it to shares.

The company's Board of Directors may increase the issued capital within the limits of the authorized capital (if any), provided that the issued capital has been paid in full. By a decision of the General Assembly, the authorized capital may be increased in proportion to the company's future needs.

The company may transfer debt tools or financing instruments into shares according to the financial market system, with the approval of its holder, whether it is previous approval, such as being within the terms of the issuance or by a later agreement.

The Board of Directors - or those who delegate him - must inform the shareholder, the owner of the shares, at the time of the issuance of the extraordinary general assembly decision to agree Modern technology means.

The new shares are distributed on the holder of priority rights who requested the subscription with the percentage of their ownership of priority rights of total priority rights arising from the capital increase provided that what they have obtained does not exceed what they have requested of new shares and the remainder of new share shall be distributed on the holder of priority rights who requested more than their share with their ownership percentage of priority rights of total priority rights arising from the capital increase provided that what they have obtained does not exceed what they have requested of new shares and the remaining shares shall be offered to others, unless the Extraordinary General Assembly decides or the Capital Market Law states otherwise.

The Extraordinary General Assembly is entitled – in all cases – to allocate the shares issued upon the capital increase or part thereof to the workers of the company and affiliated companies or some thereof. The shareholder may not exercise the priority rights upon the company issuance of shares allocated to workers.

The Extraordinary General Assembly is entitled to suspend the enforcement of priority right for shareholders to subscribe in capital increase in exchange for cash shares or grant priority right to non-shareholders in cases which it deems appropriate for the company interest.

The Board of Directors must restrict the procedures for each capital increase in the commercial registry.

### **Clause (15): Capital Reduction:**

The capital may be reduced by a decision from the Extraordinary General Assembly based on acceptable justifications, if it exceeded its needs or the company suffered losses. In the latter case only, the company capital may be decreased below what is stated in Clause (59) of Companies Law and the resolution shall only be issued after the recitation of a statement in the General Assembly, which the Board of Directors adheres to the reasons for the reduction and obligations of the company and the impact of the reduction in fulfillment of it, and this statement is attached to a report from the company's Auditor, and whether the reduction was as a result of capital exceeding the company needs and the creditors shall be invited to present their objections thereon within sixty days from the date of publication of reduction resolution in the daily newspaper distributed in the country in which the company headquarter is located. If one of them objected and submitted his documents on said date, the company shall pay him his debt if it is immediate or provide sufficient guarantee for paying it, if it is deferred.

### **Part (3): Board of Directors**

#### **Clause (16): Members of Board of Directors:**

The company management shall be assumed by a board of directors that consists of seven members elected by the Ordinary General Assembly provided that the number of members shall not be less than three for a period of three years and the membership term commences from the date of election

of Ordinary General Assembly for three years. The members of board of directors may be re-elected for similar period(s) in accordance with the Law of Companies Governance and other relative laws.

### **Clause (17): End of Board Membership:**

The board membership expires with the expiry of its term or with the expiry of member competence therefor in accordance with any applicable laws or instructions in the Kingdom based on a resolution from the board of directors preceded by a written request submitted by one of the members of board of directors to the chairman of board of directors, whereas the chairman of board of directors invites the board to convene in order to council and decide in the member competence. The resolution of the board of directors shall be issued with the recommendation of the General Assembly with the expiry of the member competence and that member position became vacant, as the General Assembly shall be invited to convene to ratify the board resolution.

However, the Ordinary General Assembly may – at any time – dismiss all members of board of directors or some of them. In this case, the Ordinary General Assembly shall elect a new Board of Directors or a replacement for the dismissed member - as the case may be - in accordance with the provisions of the Companies Law and its Implementing Regulations.

The General Assembly may - based on a recommendation from the Board of Directors - terminate the membership of any member who has been absent from attending three consecutive meetings or five separate meetings during his membership period without a legitimate excuse accepted by the Board of Directors.

A shareholder or more representing 10% of the shares of the company that has voting rights may submit a request to convene the General Assembly to vote to dismiss all or some of the members of the Board of Directors in accordance with the provisions of Article 90 of the Companies Law. The Board of Directors must include the name of the applicant and justifications for the invitation to convene the Ordinary General Assembly. The request and the concerned member has the right to make a statement regarding the request at the relevant Ordinary General Assembly meeting.

If a member of the Board of Directors resigns, and he has comments on the company's performance, he must submit a written statement thereof to the Chairman of the Board of Directors, and this statement must be presented to the members of the Board of Directors.

### **The end of the term of the Board of Directors or the retirement of its members:**

1- The Board of Directors shall call the Ordinary General Assembly to convene well before the end of its session; To elect a board of directors for a new term. If the election is not possible and the term of the current board ends, its members shall continue to perform their duties until a board of directors is elected for a new term, provided that the period of continuation of the members of the board whose term has expired does not exceed 90 days from the date of the end of the term of the board, and the board of directors must take What is necessary to elect a board of directors to replace him before the continuity period specified above expires.

2- If the chairman and members of the Board of Directors retire, they must call the Ordinary General Assembly to convene to elect a new Board of Directors. It is required to elect a board of directors to replace him before the expiration of the aforementioned period of continuity. .

3- A member of the Board of Directors may retire from the membership of the Board by sending a written notification to the Chairman of the Board, and if the Chairman of the Board resigns, the notification must be directed to the remaining members of the Board and the Secretary of the Board, and the retirement is considered effective - in both cases - from the date specified in the notification

4- If the position of a member of the board of directors of a joint-stock company becomes vacant due to his death or retirement, and this vacancy does not result in a breach of the conditions necessary for the validity of the meeting of the board due to a decrease in the number of its members below the minimum stipulated in the system or the company's articles of association, the board may temporarily appoint in the vacant position whoever is available. He has experience and sufficiency, provided that he informs the Commercial Registry, as well as the Authority, within fifteen days of the date of appointment, and that the appointment is presented to the Ordinary General Assembly at its first meeting, and the appointed member completes the term of his predecessor.

5- If the necessary conditions for the validity of the meeting of the Board of Directors are not met due to a decrease in the number of its members below the minimum stipulated in the system or in the company's articles of association, the rest of the members must invite the Ordinary General Assembly to convene within sixty days; To elect the necessary number of members.

6- In the event that the Board of Directors is not elected for a new term or the required number of members of the Board of Directors is completed, in accordance with paragraphs (1), (2) and (5) of this article, each interested party may request the competent judicial authority to appoint an expert. And the competence and the number that it deems appropriate is the one who supervises the management of the company and calls the general assembly to convene within ninety days; To elect a new board of directors or complete the required number of board members, as the case may be, or to request the dissolution of the company.

### **Clause (18): Authorities of the Board of Directors:**

1. Taking into account the competences prescribed for the General Assembly, the board of directors shall have widest authorities and powers in managing the company, drawing its policies, determining its investments and supervising over its works and funds in line with realizing its purposes and handling its issues and matters inside and outside the Kingdom of Saudi Arabia.
2. Representing the company in its relations with third parties, government and private authorities, labor and laborers offices, civil rights, police departments, chambers of



commerce and industry, private entities, companies and institutions with its different types inside and outside the Kingdom of Saudi Arabia.

3. Entering tenders and auctions, awarding tenders and the board of directors is entitled – for example without limitation – to made and enter into contracts, bid, sale and lease documents, lease, representation, acknowledgements, mortgage and otherwise and making transaction on behalf of the company.
4. The right to incorporate other companies owned partially or fully by the company inside and outside the Kingdom, also contribute in incorporation of companies in which the company participate, acquire other existing companies whether inside or outside the Kingdom, as well as withdraw from these companies, sign its liquidation resolutions, sale the shares and stocks of the company in these companies, purchase new shares therein or purchase shares in existing companies, reduce its capital or increase it.
5. Acquisition of companies, incorporation of new companies, contributing in incorporation of new companies, assignment of shares in owned companies, entering investment projects, purchasing establishments and convert them into branches for the company, receive profits, represent the company in the Partners and Shareholders' assemblies and constituent assemblies, vote on behalf of the company on the resolutions of partners, shareholders, shareholders' assemblies and constituent assemblies, name the company representatives in all aforementioned and sign all partners and shareholders' resolutions, make amendment on the Memorandum of Association of these companies, regardless of the amendment type including signing before the Notary Public on the addendums of Memorandum of Association of these companies.
6. Obtaining intellectual property rights, franchises' agreements, trade agencies, copyrights, its management, distribution and use such as; patents, international and local trademarks, other copyright and publication, using and leasing them to its affiliated companies and others.
7. Providing all aspects of financial support to the companies in which the company is a partner or shareholder including without limitation; loaning these companies,

relinquishing the priority to claim these loans to the interest of other creditors, guaranteeing all financial and contractual liabilities, loans and debts of these companies.

8. Providing all types of guarantees, insurances and undertakings including without limitation; mortgage and assignment of company assets to guarantee loans, liabilities and debts of the company or affiliated companies in which the company is a partner or a shareholder and the board – for that end – is entitled for example without limitation to restrict the disbursement of profits and comply with retaining the share ownership owned by the company in other companies in which the company is a partner or a shareholder for any term in accordance with financing requirements.
9. Approving and signing all types of contracts, papers and documents including for example; Memorandums of Association of the companies in which the company participates and making all amendments for its Memorandums of Association, its addendums, amendment resolutions and all resolutions of partners in these companies including the resolutions relating to increase or reduction of capital, assignment and purchase of share, notarization of contracts, signing before the Ministry of Commerce and Investment and General Investment Authority, as well as notarization of contracts and resolutions before the competent notary public, making amendments and changes necessary, issuing and renewing Commercial Registers, certificates and investment licenses, receive them, write them off, grant loans, issue guarantee for affiliated companies and guarantee its loans inside and outside the Kingdom of Saudi Arabia.
10. Approving and signing all agreements and instruments before the Notary Public, official authorities, loans, guarantees and surety agreements, issuing Power of Attorney on behalf of the company, sale, purchase, conveyance and its acceptance, receiving the price by any form it deems appropriate, as well as receive, deliver, lease, collect, pay, issuing deeds of ownership and requesting the amendment of instruments and its duration.
11. Receive, pay, acknowledge, claim, assignment and return them to the company.
12. Investment of the company assets in cash or investment products compatible with Sharia rules.
13. Purchasing assets including cars, equipment, devices, furniture and supplies for the use of the company or its affiliated companies, purchasing lands and real estate, signing

with purchase, sale and completing the legal and legislative actions before the official authorities and notary public with the entitlement to delegate third party therein.

14. The board of directors may sell, purchase and mortgage the company real estates, movables and properties, whereas the report of the board of directors shall include the circumstances of the decision with disposal, taking into account the following conditions:
  - A. The board of director shall specify the reasons and justifications in the sale decision.
  - B. The sale must be close to similar asset price.
  - C. The sale shall be present, but only in cases of necessity estimated by the board of directors and with sufficient guarantees.
  - D. This disposal shall not result the suspension of some activities.
15. Entering all banking operations inside and outside the Kingdom of Saudi Arabia including without limitation; opening bank accounts and operating them including deposit, withdrawal, closing accounts, withdrawing balances and liquidate them, issue, disburse and deduct checks, promissory notes, bill of exchange and all commercial papers, in addition to requesting to issue bank guarantees, opening documentary credits on behalf of the company, entering all financial derivatives agreements such as international trade, hedging and all operations associated therewith in regard of all company works and its contracts inside and outside the Kingdom of Saudi Arabia.
16. The board of directors may arrange and enter into loan with the different government and non-government financial institutions and funds, commercial banks, financial institution, financing companies, export financing institutions and any other credit entities inside and outside the Kingdom of Saudi Arabia regardless of its value or term including commercial loans with commercial banks, credit facilities which its period exceeds three years for any line decided by the board and for any period. That includes negotiation, approval and signing all relative agreements and documents.
17. The board of directors of the company – in accordance with its sole discretion – may discharge the company debtors from their liabilities in accordance with its interest and according to the accounting standards followed in the event of bad debts, whereas the board of directors' report shall include the circumstances of its decision, taking into account the following decisions:

- A- The discharge shall be after a full year from the debt original date at minimum.
- B- The discharge shall be for a certain amount determined as maximum limit for each year per single debtor.
- C- The discharge is solely entitled to the board and no third party may be delegated thereto.

18. The board of directors may choose from among its members a managing director and / or executive chairman from among the members or outside the board who assumes the daily operations of the company, whereas the board specifies - by a decision therefrom - the competencies of the executive chairman, except for what is mentioned in clause (20), as the board shall determine the compensations of the managing director and / or the executive chairman. The positions of chairman of board of directors and either the managing director or executive chairman may not be occupied by the same individual.

19. The board of directors may delegate any of its authorities granted by the applicable laws in the Kingdom or this bylaw to the chairman of the board or vice-chairman – if any – or the managing director – if any - , the company executive chairman of the company, any other member, to any committee consisting of the members of the board or any authorized employees or workers in the company. The board of directors also may – from time to time – authorize any person with specified authority or authorities for the period which it deems appropriate, as it is entitled to delegate or authorize on its behalf within the limits of its competencies member(s) or third party with the authorities, make a procedure, take a certain action, or carry out certain work(s). In all cases, the board is entitled to terminate or modify all or any of the authorities granted to any entity whether a person or a committee.

The board of director may form from among its members or third parties the committees which it deems appropriate permanently or temporarily to carry out some of the tasks assigned to it by the board. The board determines the authorities and work mechanism of these committees, determines its competencies and number of its members.

The board of director may form from among its members or third parties the committees which it deems appropriate permanently or temporarily to carry out some of the tasks assigned to it by the board. The board determines the authorities and work mechanism of these committees, determines its competencies and number of its members in accordance with related laws and regulations.

#### **Clause (19): Remunerations of Board of Directors:**

The remuneration of the members of the Board of Directors shall be determined in accordance with the remuneration policy of the Board of Directors and the Executive Management approved by the General Assembly. The remuneration of the Board of Directors shall be within the limits stipulated in the Companies Law and its Bylaws, in accordance with what is proposed by the Board of Directors

and the recommendation of the Remuneration and Nominations Committee, in accordance with the provisions contained in the rules and standards set by the Capital Market Authority in this regard.

This remuneration may be a specific amount or attendance allowance for sessions, in-kind benefits, or a specific percentage of the net profits, and it is permissible to combine two or more of the foregoing.

Whereas the report of the board of directors to the Ordinary General Assembly must include a comprehensive statement with the compensations, expenses allowance and other benefits obtained by the board of directors during the fiscal year, as it also shall include a statement with amounts received by the members of the board as workers or administrators or the amounts that they have received in exchange for technical or administrative works or consults previously approved by the Company General Assembly. It also shall include a statement with the number of board sessions and number of sessions attended by each member from the date of last general assembly meeting.

**Clause (20): Chairman of the Board of Directors, Vice-Chairman, Executive Chairman and Secretary:**

The board of directors shall appoint from among its members a chairman and vice-chairman of the board and the board may appoint a managing director and his powers are allocated by the Board of Directors.

The board may also appoint from among its members or from outside the board a Chief Executive Officer, whereas the position of chairman of board of directors and any executive position in the company may not be occupied by the same individual. Without prejudice to any laws or decisions issued by the competent authorities, the board of directors determines – based on the recommendation of Nomination and Remuneration Committee – remuneration obtained by the chairman of the board and both the vice-chairman and managing director, if any, in addition to remuneration prescribed for the board of directors and stated herein, taking into account what is stated in article (19).

The company shall be represented by the Chairman of board of director or the Vice-Chairman before justice, legal courts, judicial authorities, board of grievances, higher and preliminary committees, securities and commercial papers committees, all other judicial committee, arbitration authorities and third parties, the managing director or the chief executive officer may have the power to represent it, and the chairman of the board of directors or the managing director or chief executive officer may authorize others to represent the company. The chairman of board of directors or the Vice-Chairman may – by a written decision – delegate some of his authorities to others and to delegate a member of the Board or the CEO of the company or a third party to undertake a specific work or actions. Other members of the board or third parties in managing certain work(s). The vice-chairman of board of directors replaces the chairman of the board of directors upon his absence. The chairman of the board of directors or the Vice-Chairman is competent – for example without limitation – with the following:

1. Calling for board and general assembly meetings, chairing and managing board and general assembly meetings.
2. Representing the company in official and media forums
3. He shall represent the Company in its relations with others and before government agencies, companies and individuals; all types and degrees of courts; notaries, the Board of Grievances; the Committee for Resolution of Securities Disputes and arbitration panels; chambers of commerce and industry and all types and degrees of committees for resolution of disputes. To this end, the Chairperson may file pleadings and defenses on behalf of the Company.
4. He shall Represent the company in its relations with others, government and private agencies, before courts, judicial bodies, the Board of Grievances, labor and workers' offices, higher and primary committees, commercial papers committees and all other judicial committees, arbitration and civil rights committees, police departments, chambers of commerce and industry, private bodies, companies and institutions of all kinds. As well, entering into tenders and auctions, awarding bids, paying and receiving rights with others, acknowledging, claiming, defending, pleading, conciliation, assignment, denial, requesting oath and objecting it, pre-emption, accepting and denying judgments, arbitration on behalf of the company, requesting the implementation of judgments and opposing them, extracting the arguments of the instrument and requesting amendment thereof.
5. He shall also have the right to issue legal agencies on behalf of the company or in his capacity as Chairperson of the board of directors or the Vice-Chairman.
6. Representing the company in the sale and purchase of real estate, lands, stokes, shares in companies and other properties, whether movable or immovable. As well, accepting and collecting the price in any way he sees, receiving, delivering, renting, leasing, seizing, paying and discharging the buyer, receiving the price by check in the name of the company, buying, accepting discharge and paying the price.
7. Representing the company for opening accounts and credits and extending them, withdrawing and depositing with banks (as approved by the board of directors, he has the right to borrow from them, issue all bank guarantees, invest the company's funds and operate them in the local and international markets inside and outside the Kingdom of Saudi Arabia). He shall also have the right to pay remuneration, appoint lawyers, employees and workers, dismiss them, request visas, bring in manpower from outside the Kingdom, contract with them, determine their salaries, extract residencies, transfer guarantees and waive them.
8. Representing the company in signing all banking facilities agreements, dealing and negotiating with the treasury department in banks to negotiate the price of gold, determine the commission rate and everything related to the work of the treasury department and receive and deliver documents and papers to banks and determine the currency exchange rate.
9. Representing the company in establishing companies with the right to sign all types of contracts, documents and papers, including but not limited to, contracts for the establishment of companies in which the company is a partner, with all amendments to contracts for the establishment of companies in which the company is a partner, their annexes, and all decisions of partners in those companies, including decisions related to raising Capital, assignment of shares, purchase of shares and documentation of contracts. In addition, the right to sign with the Companies Department of the Ministry of Commerce and Industry and the notary public, make amendments, changes, additions, deletions, extract, renew, receive and cancel commercial records, change the names of subsidiary companies, mortgage fixed and movable assets to guarantee the loans of the company and its subsidiaries, and sell and buy real estate, land, shares, stocks, fixed and movable assets.
10. Sign agreements and instruments before the notary and official authorities, as well as agreements for loans, guarantees after the prior approval of the Board.
11. The other powers and responsibilities granted to him by the Board of Directors.

The Chairperson of the board of director may delegate a member of the board or the CEO of the company or from a third party to carry out a specific work or business.

The Board of Directors shall determine, according to its discretion and by a decision issued by it, the special remuneration that the Chairperson and Chief Executive Officer receive after the prior approval of the Board.

The Board of Directors appoints a secretary from among its members or others, who is competent to record the minutes of the Board of Directors' meetings, record and save the decisions issued by these meetings, in addition to exercising other responsibilities assigned to it by the Board of Directors. The Board determines the secretary's remuneration, provided that it does not exceed 50,000 riyals annually.

The term of membership of the board Chairperson and the secretary member shall not exceed the membership term of each of them in the board. As well, they may always be reappointed, and the board at any time may dismiss them or any of them without prejudice to the right of the dismissed person to compensation if the dismissal occurred for an unlawful reason or at an unjust time. Appropriate.

#### **Clause (21) Calling for Board Meetings:**

The Board of Directors shall be held for four times a year at least, and whenever the need arises, at the invitation of its Chairperson. The invitation shall be in writing or sent by post, fax or e-mail accompanied by the agenda, provided that it is (5) days before the date of the meeting, and the Chairperson must call the board to meet whenever asked to do so in written by any member of the Board to discuss any topic or more. The Board of Directors determines the place for holding its meetings, and it may be held using modern technology.

#### **Clause (22) Quorum of Meetings and Decisions:**

A board meeting is not valid unless it is attended by half of the members (in person or on behalf/delegation) at least, provided that the number of attendees is not less than three, including the Chairperson or whomever he delegates. In the event that a board member delegates another Board member to attend the board meetings, the delegation must be in accordance with the following controls:

- (A) A member of the board of directors may not represent more than one member in attending the same meeting;
- (B) The delegation must be approved and given in writing;
- (C) It is not permissible for the assignee to vote on the decisions that the regulations prohibit the assignee to vote on.

The decisions of the board shall be issued by the majority of the votes of the members of the board present (authenticity or on behalf of) at the meeting and in case of a draw, the side with which the chairperson voted shall prevail. A written decision (by circulation) may be issued, signed by majority of the members of the Board of Directors (whether in one document or equivalent separate documents), and these decisions shall be considered as a decision issued by the meeting of the Board of Directors, unless one of the members requests, in writing, the board meeting for deliberation. The board of directors may also issue decisions on urgent matters by presenting them to all members by circulation unless one of the members requests, in writing, the board meeting for deliberation. Those decisions shall be issued by the majority of the votes of the members of the Board, and these resolutions shall be presented to the Board in the upcoming meeting to be recorded in the minutes of the meeting.

The decision of the Board of Directors shall be effective from the date of its issuance, unless it is stipulated in it to apply at another time or when certain conditions are met.

#### **Clause (23) Recording of meeting minutes:**

The deliberations and decisions of the Board are recorded/recognized in minutes signed by the Chairperson of the Board, the members of the Board who attended the meeting and the Secretary. These minutes are recorded in a special register signed by the Chairperson of the Board of Directors and the Secretary. It is also permissible to use the means of modern technology to sign, record deliberations and decisions, and record records

### **Part IV: Shareholders' Assemblies**

#### **Clause (24) Attending Assemblies**

Every shareholder shall have the right to attend the general assemblies of the shareholders, and in this regard, he has the right to delegate on him another person other than members of the board of directors or company employees to attend the general assembly pursuant to a written proxy letter. It is permissible to convene the meeting of the General Assembly and the shareholder to participate in the deliberations and vote on decisions by means of modern technology.

#### **Clause (25) The Public and private Assemblies:**

General and private assemblies are convened at the invitation of the Board of Directors, in accordance with the conditions stipulated in the company's Articles of Association.



### **Clause (26) Authorities of the Ordinary General Assembly**

With the exception of matters pertaining to the extraordinary general assembly, the ordinary general assembly shall have authorities over all matters related to the company. It shall meet at least once a year during the six months following the end of the company's financial year. Other ordinary assemblies may be invited whenever the need arises.

### **Clause (27) Authorities of the Extraordinary General Assembly:**

The extraordinary general assembly shall have the authority to amend the company's Articles of association with the exception of provisions that it is prohibited to amend by law. The extraordinary general assembly may issue decisions on matters falling within the authorities of the ordinary general assembly, under the same conditions prescribed for the last assembly.

### **Clause (28) Invitation to General Assemblies:**

The general assemblies of the shareholders shall convene at the invitation of the board of directors, and the board of directors shall call the ordinary general assembly to convene within thirty days if requested by the auditor, the audit committee, or a number of shareholders representing ten percent of the shares of the company having at least voting rights. The auditor may invite the Ordinary General Assembly to convene if the Board does not extend the invitation within thirty days from the date of the auditor's request. The invitation to convene the general assembly shall be published in the market's website and the company's website at least (twenty-one) days before the date set for the meeting. However, it is permissible to address the invitation at the aforementioned time to all shareholders through the means of modern technology or informing the shareholders by registered letters at their addresses mentioned in the shareholder register.

The invitation shall include the agenda and a copy of the invitation and agenda is sent to the Ministry of Commerce and Investment and the Capital Market Authority within the specified period for publication.

### **Clause (29) Proof of Shareholders' Attendance:**

When the assembly convenes, a list of the names of the present shareholders, representatives, and places of residence shall be issued, with a statement of the number of

shares in their possession by originality or agency and the number of votes assigned to it, and everyone who has an interest shall have access to this disclosure.

### **Clause (30) Quorum of the Ordinary General Assembly**

The Ordinary General Assembly meeting is not valid unless attended by shareholders representing at least a quarter of the capital. If this quorum is not available at the first meeting, the second meeting will be held one hour after the end of the period specified for the first meeting, provided that the invitation to hold the first meeting includes evidence indicating the possibility of holding this second meeting. In all cases, the second meeting is considered valid regardless of the number of shares represented in it.

### **Clause (31) Quorum for the Extraordinary General Assembly:**

The extraordinary general assembly meeting is not valid unless attended by shareholders representing at least half of the capital. If this quorum is not available at the first meeting, an invitation to a second meeting shall be issued with the same conditions stipulated in the previous Clause. The second meeting shall be valid if attended by a number of shareholders representing at least a quarter of the capital.

If the necessary quorum is not available at the second meeting, an invitation is sent for a third meeting to be held according to the same conditions stipulated in Clause 28 of this bylaw. The third meeting shall be valid regardless of the number of shares represented in it after the approval of the competent authority.

### **Clause (32) Voting in Assemblies:**

Each subscriber has a vote for every share he represents in the constituent assembly. The votes in the ordinary and extraordinary general assemblies are calculated on the basis of the vote of each share. The cumulative voting method is followed in voting on the election of members of the Board of Directors in accordance with the Corporate Governance Regulations issued by the Capital Market Authority and any amendments made to it from time to time.

Members of the Board of Directors may not participate in voting on the decisions of the Assembly that are related to business and contracts, in which they have a direct or indirect interest, or that involve a conflict of interest. It is not considered a direct or indirect interest in which a license from the Ordinary General Assembly must be obtained for the works and contracts that are carried out to meet personal needs if they are done in the same conditions and conditions that the company follows with the general contractors and dealers and if these works and contracts are within the company's usual activity.

### **Clause (33) Resolutions of the Constituent Assembly and General Assemblies:**

The decisions of the Ordinary General Assembly shall be issued with the approval of the majority of voting rights represented at the meeting represented in the meeting.

The decisions of the extraordinary general assembly are also issued by a two-thirds approval of voting rights represented in the meeting. Unless the decision is related to an increase or decrease in the capital or the dissolution of the company or the incorporation of the company into another company or dividing it into two or more companies, so the decision is not valid unless issued with the approval of a three-fourths of the voting rights represented at the meeting.

The Board of Directors records in the Commercial Register the decisions of the Extraordinary General Assembly within (fifteen) days from the date of its issuance.

### **Clause (34) Discussing General Assemblies Issues:**

Every shareholder shall have the right to discuss issues on the assembly's agenda and direct questions about them to the members of the board of directors and the auditor. The board of directors or the auditor shall answer the shareholders' questions to the extent that they do not compromise the interest of the company. If the shareholder deems that the answer to question is unconvincing, he may refer to the assembly and its decision in this regard is enforceable.

### **Clause (35) General Assemblies Management:**

The general assembly is chaired by the Chairman of the Board or his deputy in his absence, or whomever the Board of Directors delegates from among its members in their absence, and in the event that this is not possible, the General Assembly shall be chaired by the shareholders who are delegated by the members of the Board or others by voting. The Chairman appoints a secretary for the meeting and a vote collector. At the meeting of the assembly, a minutes shall be written that includes the names of the shareholders present or representatives, the number of shares they hold in origin or agency, the number of votes decided for them, the decisions taken, the number of votes approved or otherwise. In addition, a full summary of the discussions that took place in the meeting. Minutes are recorded regularly after each meeting in a special register signed by the chairman, secretary, and vote collector.

## **Part V: The Auditor**

### **Clause (36) Appointing the Auditor:**

The company shall have one or more auditors from among the auditors authorized to work in the Kingdom. He shall be appointed by the General Assembly and his fees and the duration of his work shall be determined. The company may reappoint him provided that the total period of his appointment does not exceed seven consecutive or separate years. He may not be reappointed until three years after the expiration of the end of the last financial year in which he worked as an auditor for the company.

The assembly may also dismiss him at any time, without prejudice to his right to compensation for the damage incurred by him, if required. The chairman of the board of directors must inform the Capital Market Authority of the dismissal decision and its reasons, within five days from the date of issuance of the decision.

### **Clause (37) Powers of the Auditor:**

The auditor shall have the right at all times to view the company's books, records and other documents, and he shall have the right to request the data and clarifications that he deems necessary to obtain, and he also has the right to check the company's assets and liabilities. The auditor must submit to the annual general assembly a report including the company's position on enabling him to obtain the data and clarifications he requested and what he may have uncovered of violations of the provisions of the companies' law or the provisions of this bylaw and his opinion on the extent to which the company's accounts conform to reality.

## **Part VI: Company Accounts and Distribution of Dividends:**

### **Clause (38) The Fiscal Year:**

The company's fiscal year begins from the beginning of January and ends at the end of December of each year, provided that the first fiscal year begins from the date of the decision issued to announce the transformation of the company and ends at the end of December of the following year.

### **Clause (39) Financial Documents:**

At the end of each fiscal year, the Board of Directors shall prepare an inventory of the value of the company's assets and liabilities. It also prepares the company's balance sheet, profit and loss account, a report on the company's activity and its financial position for the past financial year, and the method it proposes to distribute the net profits, at least sixty days before holding the Ordinary General Assembly.

The Board shall place these documents at the disposal of the auditors at least forty-five days before the scheduled date of the Assembly, and the Chairman of the Board of Directors or whoever authorized by the Board of Directors, the CEO and the Financial Director shall sign the aforementioned documents. Copies of it shall be deposited in the head office of the company at the disposal of the shareholders at least (twenty-one) days before the scheduled date of the general assembly meeting.

The Chairman of the Board of Directors shall provide the shareholders with the company's financial statements, the Board report after signing them, and the auditor's report, unless they have been published in any of the modern technology means. A copy of these documents must also be sent to the Ministry of Commerce as well as the Capital Market Authority, at least (twenty-one) days before the date of the general assembly meeting.

### **Clause (40) Distribution of Dividends:**

The General Assembly determines the percentage that must be distributed to the shareholders from the net profits after deducting the reserves, if any. The Ordinary General Assembly, when determining the share of shares in the net profits, may decide to form other reserves, to the extent that achieves the interest of the company or guarantees the distribution of fixed profits - as far as possible - to the shareholders. The aforementioned association may also deduct amounts from the net profits to achieve social purposes for the company's employees.

The Ordinary General Assembly may - based on a proposal by the Board of Directors - set aside any percentages of the net profits to form reserves and may be allocated for a specific purpose or purposes, and the allocated reserve may not be used for specific purposes except by a decision of the Extraordinary General Assembly. If this reserve is not allocated for a specific purpose, the Ordinary General Assembly may - based on a proposal by the Board of Directors - decide to spend it on what is beneficial to the company or the shareholders. The Ordinary General Assembly may use the retained earnings and the distributable reserves to pay the remaining amount of the share value or part thereof, provided that this does not prejudice the fairness between the shareholders.

The company may distribute interim dividends to shareholders in a quarterly or semi-annual basis after fulfilling the following requirements:

- a) The ordinary general assembly shall authorize the board to distribute interim dividends according to a resolution that is renewed annually;

- b) The company should be of good and regular profitability;
- c) It has reasonable liquidity and can reasonably expect the level of its profits;
- d) The company has sufficient distributable profits according to the latest audited financial statements to cover the proposed profits, after deducting what was distributed and capitalized from those profits after the date of these financial statements.

The board of directors must implement the decision of the general assembly regarding the distribution of profits to shareholders within 15 working days from the date on which these profits are due, which is specified in the decision of the general assembly or in the decision of the Board of Directors to distribute interim profits.

#### **Clause (41) Entitlement to profits and Method of Payment:**

The shareholder is entitled to his share in the profits in accordance with the decision of the General Assembly issued in this regard or the decision of the Board of Directors regarding interim dividend distributions, and the decision indicates the date of entitlement and the date of distribution. The eligibility for dividends shall be for the shareholders registered in the shareholder registers at the end of the day specified for the entitlement.

#### **Clause (42) Company Continuity:**

If the company's losses reach half of the the issued capital, the board of directors must disclose that and the recommendations it reached regarding those losses within sixty days from the date of its knowledge of reaching this amount. The Board of Directors must, within 180 days from the date of knowledge of this, to consider the continuation of the company and to take any of the necessary measures to deal with or analyze these losses.

### **Part VII: Disputes**

#### **Clause (43) Filing a Liability Claim:**

The right to file a liability claim in accordance with the controls contained in the Companies Law.

## **Part VIII: Dissolution and Liquidation of the Company**

### **Clause (44) Expiration of the Company:**

Upon its expiration - according to the reasons stated in the Companies Law and any other related laws-, the company enters into liquidation according to Companies Law and maintains legal personality to the extent necessary for liquidation. The voluntary liquidation decision is issued by the extraordinary general assembly. The liquidation decision must include the appointment of the liquidator, the determination of his powers, fees, restrictions imposed on him if any, and the period of time required for liquidation, and the voluntary liquidation period must not exceed three years. It is not permissible to extend it to more than that except by order of the competent judicial authority, and the authority of the company's board of directors ends with its dissolution. Nevertheless, these remain in charge of managing the company and are counted for others as liquidators until the liquidator is appointed. Shareholders' assemblies remain in place during the liquidation period, and their role is limited to exercising their functions that do not conflict with those of the liquidator.

## **Part IX: Final Provisions**

### **Clause (45) Filing and Publication of the bylaw:**

The Companies Law and its regulations shall be applied to all other matters not specifically provided for herein. This bylaw shall be filed and published according to the Companies Law and its regulations.