



Monday

13 May 2024 AH | 5 Dhulqadah 1445 H



At

18 : 30



SAPTCO's head office in Riyadh
- via modern technology (Remotely)

Extraordinary General Assembly Meeting

First and second meeting in an hour

Agenda for The Extraordinary General Assembly Meeting

- 1 Review and discuss the board of directors' report for the fiscal year ended on December 31, 2023.
- 2 review and discuss the financial statements for the fiscal year ended on December 31, 2023.
- 3 voting on the company auditor's report for the fiscal year ended on December 31, 2023, after discussing it.
- 4 voting on discharge of the board of directors members for the financial year ended on December 31, 2023.
- 5 voting on disbursement of (2,000,000 SR) as remuneration to the board members for the fiscal year ended on December 31, 2023.
- 6 voting on appointing the company's auditor among the nominees based on the audit committee's recommendation, to examine, review and audit the financial statements for the (second, third quarter, and annual financial statement of the fiscal year 2024, and the first quarter of the fiscal year 2025), and determination their fees.
- 7 voting on the business and contracts between the company and the digital mobility investment solutions company, in which the company owns 100% of its capital), by providing (68.8) million riyals as a financial sums to support their working capital, which was done within the usual business and without any preferential conditions (attached) of the following member:
 - a) HE Eng. Khalid bin Saleh Al-mudaifer (chairman of the board of directors), where he is the chairman of the board of directors of digital mobility solutions for investment company.
 - b) Eng. Khalid bin Abdullah Alhogail, board member (executive), where he is a member of the board of directors of the digital mobility investment solutions company.
 - c) Mr. Abdullah bin Ibrahim Al-saleh, member of the board of directors (non-executive), where he is a member of the board of directors of digital mobility investment solutions company.
 - d) Mr. Ahmed bin Ayed Al-johani, chief executive officer of specialized transportation solution (senior executives), where he is a member of the board of directors and CEO of the digital mobility investment solutions company.

Agenda for The Extraordinary General Assembly Meeting

- 8 voting on the business and contracts between the company and the Saudi Emirati company (SEITCO), in which a member of the board of directors Eng. Khalid bin Abdullah Alhogail (executive) has an indirect interest, as he is the chairman of the board of directors of the Saudi Emirati company (SEITCO), which SAPTCO owns (50%) of its capital. The transactions contain a contract of reduction of accommodation and parking renting contract that was signed with SEITCO in 2022 to be SR (3.9) million, due to reduction of the number of the buses and drivers, at standard conditions without preferences. (attached)
- 9 voting on the business and contracts between the company and the Saudi Emirati company (SEITCO), in which a member of the board of directors Eng. Khalid bin Abdullah Alhogail (executive) has an indirect interest, as he is the chairman of the board of directors of the Saudi Emirati company (SEITCO), which SAPTCO owns (50%) of its capital. The transactions contain a contract of maintenance contract for SEITCO buses, which is provided by services with value (7.8) million SR, at standard conditions without preferences.)attached(
- 10 voting on delegating the board of directors the authorization powers of the general assembly stipulated in paragraph (1) of article 27 of the companies law, for a period of one year starting from approval of the general assembly or until the end of the delegated board of directors' term, whichever is earlier, in accordance with the implementing regulation of the companies law for listed joint stock companies.
- 11 review the board of directors' decision to appoint His Excellency Lieutenant General Mohamed bin Abdullah Al-bassami (independent member) to the board of directors starting from the date of his appointment on 05/04/2023 and to complete the board's session of the government representatives, until the end of their session on 02/13/2024 and, succeeding the previous member, Major General / Zayed bin Abdulrahman Al-tawyan (independent member).(attached)

Agenda for The Extraordinary General Assembly Meeting

- 12 voting on controls and standards of company's competition in their business or one of the branches of activity by the board of directors member. (attached)
- 13 voting on amending the company's bylaws, to be compatible with the new companies' bylaws, and rearranging the articles of the bylaws and their numbering, to be compatible with the proposed amendments. (attached)
- 14 voting on amending article (18) of the company's bylaws related to (company management). (attached)
- 15 voting on amending article (21) of the company's bylaws related to (the board of directors' authorities). (attached)
- 16 voting on amending article (23) of the company's bylaws related to (the authorities of the chairman, deputy chairman, managing director, and board secretary). (attached)
- 17 voting on amending article (53) of the company's bylaws related to (liability claims). (attached)



**Audit Committee Annual Report for the
fiscal year ended 31 December 2023**



Date : 15 / 9 /1445 H

Corresponding to : 25 / 3 /2024

Report of the Audit Committee for the Shareholders of the Company for the year ended on 31/12/2023

Honorable Shareholders,

Greetings,

Introduction:

During the fiscal year 2023, the Audit Committee held six meetings at the Company's headquarter in Riyadh, the Committee has prepared the annual plan that outlines their works, tasks, and responsibilities, including the activities, tasks and action that will be carried out to achieve their goals as per their scope of works i.e. to assist the Board of Directors to fulfill their responsibilities. Additionally, the Committee provides support in confirming the suitability of the internal controls system and its effective implementation and adherence with the provisions, regulation, standards and policies related to the scope of its function. Moreover, the Committee reviews the company's management response to specific challenges that are identified and observed through the committee's functions in a way that achieves the company's objectives and protects the interests of shareholders.

Audit Committee terms of reference:

The following describes key tasks performed and activities carried out reviewed by the Audit Committee during the year 2023: –

Financial Reports:

- 1– The committee reviewed the final financial statements for the fiscal year 2022 and the first, second and third quarters of the fiscal year 2023, and discussed it with the company's management and the external auditor of the company's accounts (KPMG). Accordingly, the committee has recommended to presented it to the Board of Directors for approval and published.

Internal Audits:

- 1– The Committee confirmed the independence of the Internal Audit Department and the availability and adequacy of the resources and necessary capabilities to carry out its duties in the manner intended to serve the interests of the company and in accordance with professional standards and the adopted Internal Audit Charter.
- 2– The Committee discussed the Internal Audit quarterly's reports, and issued its directions accordingly.
- 3– The Committee reviewed the internal audit report for the fiscal year 2022 and discussed it with the Company's executive management, and directed to follow up and to resolve the matters highlighted in observations.
- 4– The Committee approved the internal audit plan of 2024, and defined the required financial resources, and human resources, which will ensure execution of the plan.

External Auditor:

- 1- The Committee examined the external auditor of the company's accounts scope of work, and directed to invite seven accountancy companies to audit the company's accounts for the fiscal year 2023 and the first quarter of the year 2024. The Committee has evaluated the proposals and accordingly recommended two Companies among the applicants to the Board of Directors for recommended to the General Assembly of shareholders for approval.
- 2- The Committee confirmed the independence of the external auditor and the availability and adequacy of the resources and capabilities necessary to carry out its duties probably.

Compliance Assurance

- 1- The Committee reviewed the reports of the regulatory authorities and followed up the Company in taking the necessary measures.
- 2- The committee assured that the company's governance and compliance officer did not receive any notification of abuses in the company's financial reports during 2023, according to the confidentially means of reporting that provided by the company.

Committee opinions:

According to the terms of reference of the Audit Committee, and based on the periodic reports submitted by the company's executive management, the internal audit department, the company's external auditor, and the executive management's assurances about the suitability of the company's control system; the Audit Committee did not find a fundamental defect in the internal control environment or material matters of influence It is required to

be disclosed in the fiscal year ending on 12/31/2023 AD. However, the Audit Committee cannot fully confirm the effectiveness of any internal control system.

Best Regards,

On behalf of Audit Committee

Alaa bin Abdullah Alfadda

A handwritten signature in blue ink, appearing to read 'Alaa bin Abdullah Alfadda', written in a cursive style.

Chairman of the Audit Committee



Attachment regarding
item # 7 to 9



KPMG Professional Services

Roshn Front, Airport Road
P.O. Box 92876
Riyadh 11663
Kingdom of Saudi Arabia
Commercial Registration No 1010425494

Headquarters in Riyadh

كي بي إم جي للاستشارات المهنية

واجهة روشن، طريق المطار
صندوق بريد ٩٢٨٧٦
الرياض ١١٦٦٣
المملكة العربية السعودية
سجل تجاري رقم ١٠١٠٤٢٥٤٩٤

المركز الرئيسي في الرياض

Independent Limited Assurance Report to Saudi Public Transport Company on the Chairman's Declaration on the Requirements of Article 71 of the Companies Law

To the Shareholders of Saudi Public Transport Company (a Saudi Joint Stock Company)

We were engaged by the management of Saudi Public Transport Company (the "Company") to report on the the Chairman's declaration prepared by the Management in accordance with the requirements of Article 71 of the Companies Law, which comprises the transactions carried out by the Company during the year ended 31 December 2023 in which any of the members of Board of Directors of the Company had direct or indirect personal interest as detailed below ("Subject Matter") and the accompanying management's statement thereon as set out in Appendix 1, in the form of an independent limited assurance conclusion that based on our work performed and evidence obtained, nothing has come to our attention that causes us to believe that the Subject Matter is not properly prepared, in all material respects, based on the applicable criteria ("Applicable Criteria") below.

Subject Matter

The Subject Matter for our limited assurance engagement is related to the Chairman's declaration enclosed in the attached Appendix 1 (the "Declaration") prepared by the Management in accordance with the requirements of Article 71 of the Companies Law, presented by the Chairman of **Saudi Public Transport Company** (the "Company"), which comprises the transactions carried out by the Company during the year ended 31 December 2023 in which any of the members of Board of Directors of the Company had direct or indirect personal interest.

Applicable Criteria

We have used the following as the Applicable Criteria:

1. Article 71 of the Companies Law issued by the Ministry of Commerce ("MOC") in the Kingdom of Saudi Arabia.

Saudi Public Transport Company's Responsibility

The management of the Company is responsible for preparing the Subject Matter information that is free from material misstatement in accordance with the Applicable Criteria and for the information contained therein. The management of the Company is also responsible for preparing the Subject Matter information (i.e. Appendix 1).

This responsibility includes: designing, implementing, and maintaining internal control relevant to the preparation and presentation of the Subject Matter that information is free from material misstatement, whether due to fraud or error. It also includes selecting the Applicable Criteria and ensuring that the Company complies with the Companies Law; designing, implementing, and effectively operating controls to achieve the stated control objectives; selecting and applying policies; making judgments and estimates that are reasonable in the circumstances; and maintaining adequate records in relation to the Subject Matter information.



Independent Limited Assurance Report to Saudi Public Transport Company on the Chairman's Declaration on the Requirements of Article 71 of the Companies Law (continued)

To the Shareholders of Saudi Public Transport Company (a Saudi Joint Stock Company)

Saudi Public Transport Company's Responsibility (continued)

The management of the Company is also responsible for preventing and detecting fraud and for identifying and ensuring that the Company complies with laws and regulations applicable to its activities. The management of the Company is responsible for ensuring that staff involved with the preparation of the Subject Matter information are properly trained, systems are properly updated and that any changes in reporting encompass all significant business units.

Our Responsibility

Our responsibility is to examine the Subject Matter information prepared by the Company and to report thereon in the form of an independent limited assurance conclusion based on the evidence obtained. We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000, "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" endorsed in the Kingdom of Saudi Arabia and the terms and conditions for this engagement as agreed with the Company's management. That standard requires that we plan and perform our procedures to obtain a meaningful level of assurance about whether the Subject Matter information is properly prepared, in all material respects, as the basis for our limited assurance conclusion.

The firm applies the International Standard on Quality Management 1 which requires the firm to design, implement, and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) that is endorsed in the Kingdom of Saudi Arabia, which is founded on fundamental principles of integrity, objectivity, professional competence, and due care, confidentiality and professional behavior.

The procedures selected depend on our understanding of the Subject Matter and other engagement circumstances, and our consideration of areas where material misstatements are likely to arise.

In obtaining an understanding of the Subject Matter and other engagement circumstances, we have considered the process used to prepare the Subject Matter information in order to design assurance procedures that are appropriate in the circumstances, but not for the purposes of expressing a conclusion as to the effectiveness of the Company's process or internal control over the preparation and presentation of the Subject Matter information.

Our engagement also included: assessing the appropriateness of the Subject Matter, the suitability of the criteria used by the Company in preparing the Subject Matter information in the circumstances of the engagement, evaluating the appropriateness of the procedures used in the preparation of the Subject Matter information and the reasonableness of estimates made by the Company.

The procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. We did not perform procedures to identify additional procedures that would have been performed if this were a reasonable assurance engagement.

As part of this engagement, we have not performed any procedures by way of audit, review, or verification of the Subject Matter information nor of the underlying records or other sources from which the Subject Matter information was extracted.

Independent Limited Assurance Report to Saudi Public Transport Company on the Chairman's Declaration on the Requirements of Article 71 of the Companies Law (continued)

To the Shareholders of Saudi Public Transport Company (a Saudi Joint Stock Company)

Procedures Performed

Our procedures performed are as follows:

- Obtained the Chairman's declaration that includes the transactions and/or contracts performed in which any of the BOD members of the Company has either direct or indirect interest during the year ended 31 December 2023 ;
- Reviewed the minutes of meetings of the BOD that indicate notifications to the BOD by certain director(s) of actual or potential conflicts of direct or indirect interest in relation to transactions and/or contracts involving the BOD member;
- Obtained a statement that the concerned board members notified the BoD of actual or potential conflicts of direct or indirect interest, did not vote on the resolution to recommend the related transactions and/or contract(s);
- On a sample basis, obtained the required approvals along with supporting documents in respect of the transactions and/or contracts included in the declaration; and
- Checked the transaction amounts included in the Declaration agree (where applicable) to the transaction amounts disclosed in note (27) to the audited consolidated financial statements of the Company for the year ended 31 December 2023.

Conclusion

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the Subject Matter information is not prepared, in all material respects, in accordance with the Applicable Criteria.

Restriction of Use of Our Report

Our report should not be regarded as suitable to be used or relied on by any party wishing to acquire rights against us other than the Company and MOC for any purpose or in any context. Any party other than the Company and MOC who obtains access to our report or a copy thereof and chooses to rely on our report (or any part thereof) will do so at its own risk. To the fullest extent permitted by law, we accept or assume no responsibility and deny any liability to any party other than the Company and MOC for our work, for this independent limited assurance report, or for the conclusions we have reached.

Our report is released to the Company and MOC on the basis that it shall not be copied, referred to, or disclosed, in whole (save for the Company's own internal purposes) or in part, without our prior written consent.

KPMG Professional Services



Fahad Mubark Al Dossari
License No. 469



Riyadh 16 Ramadan 1445H
Corresponding to: 26 March 2024

Company Related Parties transactions in accordance with the provisions of the Companies Law

Dear, Honorable Shareholders,

May peace, blessings, and mercy of God be upon you,

With reference to the requirements of Paragraph No. (1) of Article 71 of the Companies Law regarding the mechanism for conducting business and contracts with the company in which a member of the Board of Directors or Senior Executives have a direct or indirect interest, in addition to subsidiaries or associates (related parties). The business were carried out in accordance with the standards and conditions that are followed with third parties, within the normal business during the fiscal year ending on 12/31/2023 AD. The members mentioned below have no interest in these contracts and business; therefore, I would like to inform your esteemed Assembly of these contracts and transactions shown in the following table to vote on them, which are as follows:

#	Nature of business / contract	Business or contract amount	Business or contract term	Business or contract conditions
1	<p><u>Digital Mobility Solutions (DMS):</u></p> <p>a. Providing financial sums to support working capital.</p>	SAR 68.8 Million	Fiscal Year 2023	<p>– Eng. Khaled bin Saleh Al-Mudaifer, Chairman of the Board of Directors, and Chairman of the Board of Directors of Digital Mobility Solutions Company, of which the company owns 100% of its capital.</p> <p>– Eng. Khalid bin Abdullah ALHOGAIL, Board Member (Executive) and Board Member of Digital Mobility Solutions Company, in which the company owns 100% of its capital.</p> <p>– Mr. Abdullah bin Ibrahim Al-Saleh, Member of the Board of Directors (non-executive), and member of the Board of Directors of Digital Mobility Solutions Company, in which the company owns 100% of its capital.</p> <p>– Mr. Ahmed bin Ayed Aljohani, Chief Executive Officer of Specialized Transport (Senior Executives), who is a member of the Board of Directors and CEO of the Digital Mobility Solutions Company, in which the company owns 100% of its capital.</p>



#	Nature of business / contract	Business or contract amount	Business or contract term	Business or contract conditions
#	Nature of business / contract	Business or contract amount	Business or contract term	Business or contract conditions
2	<p><u>Contracts and services agreement with SEITCO:</u></p> <p>a. Reduction of accommodation and parking renting contract the was signed with SEITCO in 2022, due to reduction of the number of the buses and drivers.</p> <p>a. b. Maintenance contract for SEITCO buses, by services. The contract has been signed in January 2023.</p>	<p>SAR 3.9 Million</p> <p>SAR 7.8 Million</p>	<p>Fiscal Year 2023</p>	<p>Eng. Khalid bin Abdallah ALHOGAIL, Member of the Board of Directors (Executive) and Chairman of the Board of Directors of the Saudi-Emirati Company (SEITCO), in which the company owns 50% of its capital.</p>

Mr. Musad bin Abdalaziz Al-DAWOOD

Chairman of the Board of Directors



**Attachment regarding
item # 11**



نموذج (١)

السيرة الذاتية

Personal Information of the Member						
Muhammad Abdullah Al-Bassami				Full Name		
1388/07/01	Date of Birth	SAUDI	Nationality			
Academic Qualifications of the Member						
The issuer of the qualification	Date of obtaining the qualifications	Specialization	Qualifications	#		
King Fahad Security College	1408	Security Sciences	Bachelor's	1		
Experiences of the Member						
Experience			Period			
Public Security Director			2022/05/29 - Present			
Commander of the Forces for Hajj Security			2022- 2022			
Commander of the Forces for Umrah Security			2022- 2022			
Commander of the Special Forces for Hajj and Umrah Security			2022- 2021			
Director of the General Directorate of Traffic			2021- 2017			
Director of the General Administration of Hajj and Umrah Affairs at the Ministry Interior			2017- 2016			
Director of the Traffic Plans Division, Traffic Department, General Directorate of Traffic			2016 -2015			
Work in Operations Affairs at the Ministry of Interior			2015 – 2014			
Assistant Director of Hajj and Umrah Department at Public Security			2014-2011			
Current membership in the board of directors of other joint stock companies (listed or non-listed) or any other company, regardless of its legal form or the committees deriving from it						
Legal form of the company	Committees Membership	Membership Nature	Membership type	Main activity	Company name	#
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						٢



Attachment regarding
item # 12





Controls and Standards of Company's competition in their business or one of the branches of activity by the Board of Directors member.

First: Introduction

These controls and standards were prepared in accordance with what was stated in Article Forty-Six of the Corporate Governance Regulations issued by the Board of the Capital Market Authority, which includes setting standards approved by the General Assembly to verify whether a member of the Board of Directors competes with the company's business or competes with it in one of the branches of activity that it practices.

Second: Company Purposes

Transporting passengers by buses on the public roads network in the Kingdom within cities and in between and outside the Kingdom. The company also is interested in transporting parcels, goods, supplies, school transport, female teachers transport, car rental and operation, private taxis and trucks, operating and maintaining metro and trains, transporting sands and gravel, organizing tourism trips in the Kingdom, Hajj and Umrah services inside and outside the Kingdom, providing supportive and logistic services and technical training in the field of transport and importation of spare parts and chemical car cleaners. For these purposes, the following lies within its sphere of competence:

- 1 .Purchasing and renting lands and buildings for the purpose of the company's activity.
- 2 .Setting up warehouses, workshops, stores, maintenance centers, stations, stops and rests on main roads between cities and all necessary buildings for its businesses and management.
- 3 .Owning and purchasing buses, equipment, machines and fixtures needed for the utility.
4. At its discretion, the company has the right to possess all necessary moveable and immovable property to execute its purposes.
5. Undertaking all necessary purposes or that is supplementary to the previous ones.
6. Seeking assistance of the national and foreign experiences for practicing its businesses.
7. The company may purchase and sell lands and invest in real-estates for the company's benefit.

The company practices its activities pursuant to the applicable laws and after obtaining the necessary licenses from the competent authorities, if any

Third: The concept of competition in business

- 1- A member of the Board of Directors is prohibited from engaging in any activities that would directly compete with the company or engage in business activities within the

same branches of activity as the company, unless they have obtained a license from the Ordinary General Assembly explicitly permitting such engagement .

2- Participating in activities that directly compete with the company or engaging in trading within the same branches of activity practiced by the company is considered incompatible with the independence required of a member of the Board of Directors. This concept encompasses various scenarios, including:

- The board member establishing or owning a significant percentage of shares or stakes in a company or individual institution that conducts activities similar to those of the company or its group.
- Accepting membership on the board of directors of a company or facility that competes with the company or its group, or taking on management roles in a competing sole proprietorship or company, regardless of its legal form, except for the company's affiliates.
- The member obtaining a commercial agency or similar arrangement, whether overt or covert, for a company or facility that competes with the company or its group. It is crucial to uphold these restrictions to avoid conflicts of interest and preserve the integrity of the company's operations and governance structure.

Fourth: Refusal to grant a license

if the General Assembly denies the granting of a license as outlined in Articles (71) and (72) of the Companies Law, a member of the Board of Directors is required to tender their resignation within a specified timeframe determined by the General Assembly. Failure to do so will result in the termination of their membership on the Board, unless they opt to terminate their involvement in the contract, transaction, competition, or any other relevant activity, and regularize their situation in accordance with the Companies Law and its executive regulations before the expiration of the specified timeframe .

Fifth: Approval and Enforcement

This policy has been approved by the General Assembly of the company's shareholders upon the recommendation of the company's Board of Directors. It is considered effective immediately upon its approval.



Attachment regarding
item # 13 to 17

SAPTCO Bylaws Amendments

#	Article before Update	Article after Update
1	<p>Article (1) Incorporation:</p> <p>The company was incorporated according to the Provisions of the Companies Act and its Regulations and the current law of the Saudi joint-stock companies according to the following provisions:</p>	<p>Article (1) Incorporation:</p> <p>In accordance with the provisions and regulations of companies issued by Royal Decree No. (M/132) dated 01/12/1443 AH, and its executive regulations issued by Resolution of His Excellency the Minister of Commerce No. (284) dated 06/23/1444 AH. This bylaw is a Saudi joint stock company according to the following:</p>
2	<p>Article (4): Corporate Participation and Ownership:</p> <p>The company may incorporate a company on its own (limited-liability or closed joint-stock) provided that the capital shall not be less than (5) million Saudi Riyal. It also may possess shares and stocks of other existing companies, merge with or purchase them, or make it an affiliate. It may participate with others in incorporating joint-stock or limited liability companies in and out after fulfilling what is required by applicable laws and instructions in this regard. It may also dispose of these shares or stocks provided that it shall not mediate in their trading.</p>	<p>Article (4): Corporate Participation and Ownership:</p> <p>The company may incorporate a company on its own. It also may possess shares and stocks of other existing companies, merge with them. It may participate with others in incorporating joint-stock or limited liability companies in and out after fulfilling what is required by applicable laws and instructions in this regard. It may also dispose of these shares or stocks provided that it shall not mediate in their trading.</p>
3	<p>Article (7): The Capital</p> <p>The capital of the company was determined to be one billion (1,000,000,000) Saudi Riyal. Then, on 7/4/1428H corresponding to 24/4/2007G the capital was increased to one billion, two hundred fifty million Saudi Riyal divided into one hundred twenty-five million (125,000,000) shares.</p>	<p>Article (7): The Capital</p> <p>The capital of the company was determined to be one billion two hundred fifty million (1,250,000,000) Saudi Riyal divided into one hundred twenty-five million (125,000,000) Nominal shares of equal value, value of one share being (10) ten riyals</p>

SAPTCO Bylaws Amendments

4	<p>Article (8): Subscription to Shares</p> <p>Promoters subscribed in the company's capital which is one billion Saudi Riyal to a number of ten million shares at a percentage of 47.32% of shares and amount of four million seven hundred thirty two thousand (4,732,000) cash shares distributed as follows:</p> <ol style="list-style-type: none"> 1. Public Investment Fund at a percentage of 20% of the capital shares with a number of two million shares in amount of two hundred million (200) Saudi Riyal. 2. The General Organization for Social Insurance (GOSI) at a percentage of 10% of the capitals' shares with a number of one million shares in amount of one hundred million Saudi Riyal. 3. Promoters from the private sector at a ratio of 17.32% of the capital shares. The promoters has paid a percentage of 50% of their shares with the National Commercial Bank. <p>The rest of shares with the number of five million two hundred sixty eight thousand (5,268,000) shares were offered for public subscription among Saudi citizens only within thirty days from the date of publishing the Royal Decree which permitted the company incorporation. The subscriber shall pay during subscription a percentage of 50% of the share nominal value in the name of the company under incorporation to the concerned banks. The rest of shares' value shall be paid on deadlines specified by the board of directors.</p> <ol style="list-style-type: none"> 4. The capital has been increased from one billion (1,000,000,000) Saudi Riyal to one billion two hundred fifty million Saudi Riyal (1,250,000,000) divided to one hundred twenty five million shares (125,000,000) by granting free shares. 	<p>Article (8): Subscription to Shares</p> <p>Shareholders have subscribed to all the Company's shares in amount of one hundred twenty-five million (125,000,000) shares valued at one billion two hundred fifty million (1,250,000,000) Saudi Riyal paid in full.</p>
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SAPTCO Bylaws Amendments

5	<p>Article (10): Selling Unpaid Shares</p> <p>The shareholder shall be committed to pay the share's value on the deadlines. If they failed to pay on the due date, the board of directors may, after being informed via the email or by a registered letter, sell the share in the stock market according to the rules set by the competent authority.</p> <p>The company gets paid from the sale proceeds the sums owed to it and refund the remaining amount to the shareholder. If the sale proceeds are not sufficient to fulfill these sums, the company may get the remaining amount from all money of the shareholder. However, the shareholder who defaulted until the sale day may pay the due amount plus the expenses paid by the company in this regard.</p> <p>The company shall cancel the sold share according to the provisions of this article and shall give the buyer a new share bearing the number of the cancelled one. It shall mark in the share register the occurrence of the sale process and shall mention the name of the new owner.</p>	To be Deleted
6	<p>Article (11): Issuance of Shares</p> <p>In case of increasing the company's capital, the shares may not be issued under its nominal value, but they may be issued above this value. In that last case, the difference of value shall be added as a standalone clause within the shareholders rights. Therefore, it may not be distributed as dividends between the shareholders. The share shall not be divisible in face of the company. If a share is possessed by many holders, they shall elect one representative on their behalf in handling the rights related to it. These holders shall be jointly responsible for liabilities arising from the share possession.</p>	To be Deleted

SAPTCO Bylaws Amendments

7	<p>Article (12): Trading of Shares</p> <p>Shares that are subscribed to by the promoters may not be traded except after publishing the financial statements of two fiscal years each of which not less than twelve months from the date of company incorporation. These shares instruments shall be marked to indicate their type, company incorporation date and the period during which they may not be traded. However, during the suspension period, the ownership of shares may be transferred according to the provisions of selling equity from one promoter to another or, in case of his death, from a promoter's heirs to third parties or in case of execution on funds of insolvent or bankrupt shareholder provided that the priority in owning these shares shall be to the other promoters.</p>	<p>To be Deleted</p>
8	<p>Article (14): Increase of Capital</p> <p>1. The Extraordinary General Assembly may determine to increase the company capital based on the Board of Directors recommendations on condition that the capital shall be fully funded unless the unpaid amount belongs to shares issued in exchange for converting debt instruments or financing instruments to shares, and the period specified for conversion is not over.</p> <p>2. The Extraordinary General Assembly may in all cases, at a capital increase allocate all or numbered issued shares to the company members or to all its subsidiaries or some of them, or to any of that. The shareholders may not exercise the right of priority when the company issues the shares apportioned for staff.</p> <p>3. At the time of issuance of the decision of the Extraordinary General Assembly agreeing to increase the capital, the shareholder owner shall have priority in subscribing to</p>	<p>Article (11): Increase of Capital</p> <p>1.The Extraordinary General Assembly may decide to increase the issued or authorized capital of the Company if any, provided that the issued capital is paid in full. It is not required that the capital be paid in full if the unpaid part is attributed to shares issued in return for converting debt instruments or Sukuk into shares and the period specified for their conversion has not yet expired.</p> <p>2. In all cases, the Extraordinary General Assembly may allocate the shares issued upon capital increase, or part thereof, to the employees of the Company and all or some of its subsidiaries. Shareholders may not exercise the pre-emption right when the Company issues shares allocated to employees.</p> <p>3. In all cases, the value of the increased share must be equal to the nominal value of the original shares of the same type or class</p>

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<p>new shares issued in exchange for cash shares. The shareholder owner shall be informed of their priority through publishing in a daily newspaper or by registered mail regarding the decision of increase of capital and subscription conditions, term, start and end date.</p> <p>4. The Extraordinary General Assembly may stop the right of priority for shareholders of subscription by increasing the capital in exchange for cash shares or giving priority to non-shareholders in the cases it sees appropriate for the benefit of the company.</p> <p>5. The shareholder may trade or assign of the right of priority during the period from issuing the decision of the General Assembly to increase the capital until the last day of subscription to the new shares associated with these rights by virtue of the controls set by the competent authority.</p> <p>6. Subject to paragraph (4) hereof, the new shares shall be divided among holders of priority rights who demanded the subscription by the percentage of the priority rights they own out of the total priority rights resulted from increasing the capital provided that what they get shall not exceed the new shares they demanded. The remaining new shares shall be divided among the holder of priority rights who demanded more than their share by percentage of percentage of the priority rights they own out of the total priority rights resulted from increasing the capital provided that what they get shall not exceed the new shares they demanded. The rest of shares shall be offered to others unless the Extraordinary General Assembly or the Capital Market Law states otherwise.</p>	<p>4. Capital may be increased by one of the following ways:</p> <ul style="list-style-type: none"> - Issuing new shares against cash or in-kind contributions. - Issuing new shares against specific and due debt on the Company, approved by the relevant creditor(s); provided that the issuance is made at the value prescribed by the Extraordinary General Assembly upon obtaining the opinion of an expert or an accredited valuer, and upon issuance of a statement by the board of directors and the assessor indicating the origin and amount of such debts. The statement shall be signed by board members, who shall be liable for its validity, and a report from the Company's auditor shall be attached thereon. - Issuing new shares equal to the amount of the reserve which the Extraordinary General Assembly decides to merge in the capital. Such shares shall be issued in the same class and conditions of issued shares of the same type and class, and shall be distributed to shareholders for no consideration pro rata. - Issuing new shares against debt instruments or sukuk <p>5. A Shareholder who owns the share - at the time of the issuance of the resolution of the Extraordinary General Assembly approving the increase of the issued capital or the decision of the Board of Directors approving its increase within the limits of the authorized capital - has the preemptive right to subscribe to new cash shares, and he/she shall be notified of such right if any, by a registered letter to his/her address in the register of shareholders, or through modern technology, with the resolution to increase the capital, the terms, conditions and mechanism of subscription, and its start and</p>
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		<p>end dates, taking into account the type and category of the share he/she owns.</p> <p>6. The Extraordinary General Assembly has the right to suspend the preemptive right of shareholders to subscribe to the cash shares in a capital increase, or to give such right to any shareholder whenever it deems it in the Company's interest.</p> <p>7. The Extraordinary General Assembly has the right to suspend the preemptive right of shareholders to subscribe to the cash shares in a capital increase, or to give such right to any shareholder or new investor whenever it deems it in the Company's interest.</p> <p>The shareholder may sell or assign the pre-emption right, with or without consideration, as specific in the regulations.</p> <p>8. The new shares are distributed to the priority rights holders who requested to subscribe in proportion to the priority rights they have out of the total of these rights resulting from the capital increase, provided that what they get does not exceed what they requested of the new shares and taking into account the type and class of the share they own, and the remainder of the shares are distributed. New shares shall be imposed on holders of priority rights who have requested more than their share in proportion to the number of priority rights they have out of the total of these rights resulting from the capital increase, provided that what they obtain does not exceed what they requested of new shares, and the remainder of the shares shall be offered to others unless the assembly decides. Extraordinary general meeting or the financial market system stipulates otherwise.</p>
9	<p>Article (15): Capital Reduction</p> <p>The Extraordinary General Assembly may determine to decrease the capital if it is above the company necessity or if the</p>	<p>Article (12): Capital Reduction</p> <p>1.The Extraordinary General Assembly may decide to reduce the capital if it exceeds the Company's needs or if it suffers losses. Only</p>

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<p>company suffered losses. In that last case only, the General Assembly may decrease the capital to below the stipulated limit in the article (54) of the Companies Act. The decrease decision shall not be issued except after reciting a special report prepared by the auditor about the compelling reasons, the company's liabilities and about the impact of decrease on these liabilities.</p> <p>If the capital decrease is due to it exceeds the company's need, the creditors shall be called for expressing their objection within sixty days from the date of publishing the decision of decrease in a daily newspaper which is distributed in the region where the company's main office is located. If one of the creditors objected and submitted their documented to the company on the said date, the company shall either pay the debt if it is due at such time or provide adequate guarantee if the debt is deferred.</p>	<p>in the latter case may the capital be reduced below the limit stipulated in Article (59) of the Companies Law. The reduction decision shall not be issued except after reading a special report prepared by the board on the reasons for it, the obligations of the Company, and the impact of the reduction on such obligations. Such statement shall be accompanied by a report issued by the Company's auditor.</p> <p>2. If the reduction is resulting from an excess of the Company's needs, creditors shall be called on to express their opposition before at least 45 days prior to the date specified for holding the Extraordinary General Assembly to take a decision to reduce the capital. The invitation should be accompanied by a statement indicating the amount of the capital before and after the reduction, and the date of the meeting and the effective date of the reduction. If any creditor rejects the reduction and presented his/her documents to the Company on the said date, the Company shall pay his/her debt, if due, or give him/her sufficient guarantee to be paid, if it's not due. The creditor who has notified the Company of his/her objection to the reduction and whose debt has not been paid if it is due, or has not been given sufficient guarantee to pay the debt if it is deferred, may submit to the competent judicial authority before the date specified for the Extraordinary General Assembly to take the reduction decision, and the competent judicial authority in this case may order the payment of the debt, to provide sufficient guarantee, or to postpone the Assembly of the Extraordinary General Assembly, as the case may be.</p> <p>3. Equality between shareholders holding shares of the same type and class must be taken into account when reducing capital.</p>
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10	<p>Article (16): Shares Purchase</p> <p>The company may purchase its shares or pledge them according to regulations set by the competent authorities. These shares purchased by the company shall have no votes in the shareholders' assemblies.</p>	<p>Article (13): The Company's Purchase, Sale and Pledge of its Shares:</p> <ol style="list-style-type: none"> 1. The Company may purchase its ordinary, preferred or redeemable shares and sell, pledge and mortgage such shares in accordance with the regulations issued by the competent authorities in that regard. Such shares purchased by the Company shall not have a vote in shareholders assemblies. 2. The Company may purchase its shares to be used as treasury shares in accordance with the purposes and controls set by the Capital Market Authority. 3. The Company may purchase its shares for the purpose of allocating them to its employees under an employee shares program, and the Company shall fulfill the other requirements related to the purchase of its shares and the conditions set by the Capital Market Authority for this purpose. 4. The Company may sell the treasury shares in one or several stages in accordance with the controls set by the Capital Market Authority. 5. Whoever has the right to own the Company's shares or possess them for the interest of another party may pledge them in accordance with the controls set by the Capital Market Authority, and the pledger shall have the right to receive dividends and use the rights related to the share, unless otherwise agreed in the pledge contract, but the pledgor is not allowed to attend or vote in the shareholders' general assemblies.
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11	<p>Article (17): Debt Securities</p> <p>Subject to the approval of the competent authorities, the company may, by a decision issued by the Extraordinary General Assembly, issue debt or financing instruments which shall be convertible to shares or instruments whether they were for public offering or otherwise pursuant to the related laws and regulations.</p>	<p>Article (14): Debt Instruments and Financing Deeds:</p> <p>1. The Company may, in accordance with the Capital Market Law, issue negotiable debt instruments or Sukuk. The Company may not issue debt instruments or Sukuk that may be converted to shares except after a resolution issued by the Extraordinary General Assembly specifying the maximum number of shares that may be issued against such instruments or Sukuk, whether such instruments or Sukuk are issued one time, in a series of issues or through one or more programs for its issuance. The Board shall, without need for further approval from the Extraordinary General Assembly, issue new shares against such instruments or Sukuk whose holders request their conversion, immediately upon the expiry of the period of conversion request set for holders of these instruments or Sukuk, or when the conditions for automatic conversion into shares are met or the period specified for such conversion has elapsed. The Board shall take the necessary measures to amend the Company's Bylaws with regard to the number of shares issued and the capital, and complete the procedures of each capital increase with the commercial register.</p> <p>2. Resolutions issued at shareholders assemblies shall apply to the holders of debt instruments and Sukuk. However, the said assemblies may not amend the rights assigned to them except with an approval issued by them in a Extraordinary general assembly held in accordance with the provisions prescribed for the convening an extraordinary assembly and the issuance of its resolutions.</p>
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12	<p>Article (18): Company Management</p> <p>The company shall be managed by a board of directors which shall be consisted of ten members, four of them represent the government and the chairman shall be from among them. They shall be appointed upon the approval of the Prime Minister based on a suggestion from the Minister of Transport and six members who shall represent the shareholders and shall be elected by the Ordinary General Assembly of Shareholders. The members of board of directors shall be appointed for three years and they may be reappointed for another term or terms</p>	<p>Article (15): Company Management</p> <p>The company shall be managed by a board of directors consisting of seven (7) members elected by the ordinary general assembly of shareholders for a period not exceeding Four years and they may be reappointed for another term.</p>
13	<p>Article (19): Board Membership Expiry</p> <p>The membership of the board of directors shall end with the conclusion of the appointment period, or if the member refuses to attend the board term or is absent for more than three consecutive meetings without an accepted excuse by the Board of Directors. The member shall not be discharged of his membership accountability except after the approval of the General Assembly on that. However, the Ordinary General Assembly, at all times, may isolate all or some of board of directors' members who represent the shareholders without prejudice to the right of the isolated member towards the company to claim compensation if the isolation happened for an unacceptable reason or at inappropriate time. The Board of Directors' member may resign on condition that this take place at an appropriate time, otherwise shall be responsible for the damages that result from resignation.</p>	<p>Article (16): Termination of Board Membership</p> <p>Membership on the Board of Directors shall be terminated upon the expiration of the appointment period or the disqualification of a member pursuant to applicable laws and regulations in the Kingdom. The General Assembly may (based on a recommendation from the Board of Directors) terminate the membership of any member who fails to attend (three) consecutive meetings or (five) separate meetings during his membership period without a legitimate excuse accepted by the Board of Directors. However, the Ordinary General Assembly may remove all or some of the members of the Board of Directors, and in this case the Ordinary General Assembly must elect a new Board of Directors or someone to replace the removed member (as the case may be) in accordance with the provisions of the Companies Law.</p>

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14	<p>Article (20): Vacant Position in the Board</p> <p>If a position of a member of the board of directors who represent the shareholders become vacant, the board may then appoint a provisional member in that vacant position provided that they shall be of eligible experience. This nomination shall be presented to the first general assembly. As for government representative inside the board, the Minister of Transport shall nominate another member appointed by the board in the vacant position. The Ministry and the Capital Market Authority shall be informed thereby within five business days from the appointment date. The appointment shall be presented to the Ordinary General Assembly during its first meeting and the new member shall complete the term of their predecessor. If the number of the board members is below five, the remaining members shall convene the general assembly within sixty days in order to elect the needed number of members representing the shareholders if the shortage is from among them.</p>	<p>Article (17): Vacant Position in the Board</p> <p>If seat of any Board member becomes vacant, the Board may appoint a member to temporarily fill the vacancy, provided that such member has proper experience. The commercial register and the Capital Markets Authority (“CMA”) shall be notified accordingly within fifteen (15) days from the date of appointment, and the appointment shall be presented to the first upcoming Ordinary General Assembly. The new member shall complete the term of his predecessor. If the necessary conditions for the convening the Board of Directors are not met due to the shortage of its members from the minimum stipulated in the Companies Law or these Bylaws, the rest of the members shall call the Ordinary General Assembly to convene within sixty (60) days, to elect the necessary number of members.</p>
15	<p>Article (21): The Board Authority</p> <p>1. Subject to the competence of the General Assembly, the board of directors shall have the extensive authority in managing the company and conducting its affairs and disposing of its assets and property and real-estates. The board of directors shall have the right to purchase and accept the same, pay the price, mortgage, redeem mortgage, sell, register, receive the price and deliver the priced item. The minutes of the board of directors shall contain the rationale for its decision to dispose of the assets, property and real estate of the company taking into consideration the following conditions: a. The board shall specify the reasons and rationale in the decision of sale.</p>	<p>Article (18): The Board Authority</p> <p>1. Subject to the competence of the General Assembly, the board of directors shall have the extensive authority in managing the company and conducting its affairs and disposing of its assets and property and real-estates. The board of directors shall have the right to purchase and accept the same, pay the price, mortgage, redeem mortgage, sell, register, receive the price and deliver the priced item. The minutes of the board of directors shall contain the rationale for its decision to dispose of the assets, property and real estate of the company taking into consideration the following conditions: a. The board shall specify the reasons and rationale in the decision of sale.</p>

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<p>b. The sale price shall be close to the similar price. c. The sale price shall be paid at the time of selling except in cases of necessity and with sufficient guarantees.d. This act shall not result in the suspension of some of company's activities or assuming the company other liabilities.</p> <p>2.The board of directors may contract for loans with the governmental financial institutions and funds no matter how long it lasts. It may contract for commercial loans whose terms do not exceed the end of company’s term. For that, it may issue negotiable debt or financing instruments according to the provisions of Article 122 of the Companies Act and the Capital Market Law, observing the following conditions: a. The decision of the board of directors shall specify the uses of the loan and the way to pay it off. b. The board of directors shall observe in the loan conditions and the guarantees provided not to do any harm to the company, the shareholders and the general guarantees of creditors.</p> <p>3. The board of directors shall have the right of reconciliation, assignment, contracting, commitment and associating with the name and on behalf of the company. It may assume all works and acts that would achieve the company’s purposes.</p> <p>4. The board of directors may authorize, within the limits of its competence, on or more of its members or from others to take specific action or doing specific work or works and the board may authorize whoever its sees within its competence and powers.</p> <p>5. The board of directors, at its discretion, may discharge the company’s debtors of their liabilities according to what achieve its interest provided that the minutes of the board of directors shall contain these decisions and rationale taking into account</p>	<p>b. The sale price shall be close to the similar price. c. The sale price shall be paid at the time of selling except in cases of necessity and with sufficient guarantees.d. This act shall not result in the suspension of some of company's activities or assuming the company other liabilities.</p> <p>The Board of Directors shall obtain the approval of the General Assembly when selling assets whose value exceeds fifty percent (50%) of the value of their total assets, whether the sale is made through one transaction or several transactions. In this case, the transaction that leads to exceeding fifty percent (50%) of the value of the assets is considered the transaction which requires the approval of the General Assembly, and this percentage is calculated from the date of the first transaction that took place during the previous twelve (12) months.</p> <p>2.The board of directors may contract for loans with the governmental financial institutions and funds no matter how long it lasts. It may contract for commercial loans whose terms do not exceed the end of company’s term. For that, it may issue negotiable debt or financing instruments. The decision of the board of directors shall specify the uses of the loan and the way to pay it off.</p> <p>3. The board of directors shall have the right of reconciliation, assignment, contracting, commitment and associating with the name and on behalf of the company. It may assume all works and acts that would achieve the company’s purposes.</p> <p>4. The board of directors may authorize, within the limits of its competence, on or more of its members or from others to take specific action or doing specific work or works and the board may authorize whoever its sees within its competence and powers.</p>
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	<p>the following conditions: a. The discharge shall be after one year from arising of the debt. b. The discharge shall be for a specific amount as a maximum each year for one debtor. c. The discharge shall be a right of the board's rights and it may authorize in that regard.</p>	<p>5. The board of directors, at its discretion, may discharge the company's debtors of their liabilities according to what achieve its interest provided .</p>
<p>16</p>	<p>Article (23): Authority of Chairman, Vice-Chairman, Managing Director and Secretary</p> <p>1. The chairman of the company board of directors shall be from among the members appointed by the government. The board shall appoint from among its members the vice-chairman (representing the chairman in case of absence) who may appoint a managing director. It shall not be permissible to combine the position of Chairman with any executive position in the company.</p> <p>2. The chairman shall represent the company in its relations with others. They shall have the right to sign on behalf of the company. They shall execute the board decisions. The chairman shall have the right to represent the company before committees, judicial bodies of all kinds and degrees, notaries public and also before the governmental bodies, different official departments and authorities inside and outside the Kingdom. They shall have the right to claim, plead, defend and litigate in any suit filed by or against the company. They shall also submit notes and appeals against judgments and decisions, and appeal, rebut, accept or asking to execute these judgments. They may also reconcile, waive the lawsuit, receive and deliver. They may authorize whomever they</p>	<p>Article (20): Authority of Chairman, Vice-Chairman, Managing Director and Secretary</p> <p>1. In its first meeting, the Board of Directors shall appoint a Chairman and deputy chairman from among its members, and it may appoint a Managing Director or CEO.</p> <p>2. The Board of Directors shall appoint from among its members a deputy Chairman (representing the chairman in case of absence). It shall not be permissible to combine the position of Chairman with any executive position in the company.</p> <p>3. The chairman shall represent the company in its relations with others. They shall have the right to sign on behalf of the company. They shall execute the board decisions. The chairman shall have the right to represent the company before committees, judicial bodies of all kinds and degrees, notaries public and also before the governmental bodies, different official departments and authorities inside and outside the Kingdom. They shall have the right to claim, plead, defend and litigate in any suit filed by or against the company. They shall also submit notes and appeals against judgments and decisions, and appeal, rebut, accept or asking to execute these judgments. They may also</p>

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<p>see suitable for taking legal actions and procedures for undertaking specific work or works. They shall have the right to execute all contracts and transactions within its purposes and collecting company rights and performing the necessary liabilities. They may create, sign, endorse and seize business papers and undertake all banking transactions which are necessary for the company's activity including accounts management, opening and closing banking accounts of all kinds, depositing and transferring from the company accounts inside and outside the Kingdom, check requesting, getting banking facilities and loans, signing investment contracts, cost-plus contracts, business documents and papers, granting guarantees, credits and warranties on behalf of the company and signing the treasury agreement. The chairman may also sign all contracts and documents related to the use and processing of electronic banking transactions via the internet and self-selling machines or otherwise and also inquiry contracts for all banking operations through the electronic systems provided by the bank. They shall have the right to authorize whoever they see suitable and they may sign on behalf of the company in favor of others (third party).</p> <p>3. Subject to the powers stipulated in paragraph (2), the board of directors shall define the powers of the Chairman and Managing Director and also they may define the due rewards and advantages besides the rewards determined for the board members.</p> <p>4. The managing director shall be responsible for following up the implementation of the policy formulated by the board besides other powers and competences entrusted to him by the board of directors from time to time.</p> <p>5. Subject to the power stipulated in paragraph (2), the board of directors shall</p>	<p>reconcile, waive the lawsuit, receive and deliver. They may authorize whomever they see suitable for taking legal actions and procedures for undertaking specific work or works. They shall have the right to execute all contracts and transactions within its purposes and collecting company rights and performing the necessary liabilities. They may create, sign, endorse and seize business papers and undertake all banking transactions which are necessary for the company's activity including accounts management, opening and closing banking accounts of all kinds, depositing and transferring from the company accounts inside and outside the Kingdom, check requesting, getting banking facilities and loans, signing investment contracts, cost-plus contracts, business documents and papers, granting guarantees, credits and warranties on behalf of the company and signing the treasury agreement. The chairman may also sign all contracts and documents related to the use and processing of electronic banking transactions via the internet and self-selling machines or otherwise and also inquiry contracts for all banking operations through the electronic systems provided by the bank. They shall have the right to authorize whoever they see suitable and they may sign on behalf of the company in favor of others (third party).</p> <p>4. Subject to the powers stipulated in paragraph (2), the board of directors shall define the powers of the Chairman and Managing Director and also they may define the due rewards and advantages besides the rewards determined for the board members.</p> <p>5. The managing director shall be responsible for following up the implementation of the policy formulated by the board besides other</p>
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	<p>appoint a CEO, define its competences, responsibilities and salary.</p> <p>6. The board of directors shall appoint a Secretary to be chosen from among its members or from others. They shall be responsible for recording the minutes of board meetings and also the decisions issued by these meetings and keeping them along with practicing the other competences entrusted to them by the board of directors and the board shall specify their rewards.</p> <p>The term of Chairman, Vice-Chairman, Managing Director and Secretary (member of the board) shall not exceed the term of membership of each of them. They may be re-elected, and the board may at any time eliminate all or any of them without prejudice to the right of the removed member to get the compensation if the removal occurred due to illegal reason or at inappropriate time taking into consideration what is related to the chairman and the governmental members who are appointed or removed by the state.</p>	<p>powers and competences entrusted to him by the board of directors from time to time.</p> <p>6. Subject to the power stipulated in paragraph (2), the board of directors shall appoint a CEO, define its competences, responsibilities and salary.</p> <p>7. The board of directors shall appoint a Secretary to be chosen from among its members or from others. They shall be responsible for recording the minutes of board meetings and also the decisions issued by these meetings and keeping them along with practicing the other competences entrusted to them by the board of directors and the board shall specify their rewards.</p> <p>The term of the Chairman of the Board, the Vice Chairman, the Managing Director, and the secretary shall not exceed the term of membership of each of them in the Board, and the Board of Directors may relieve the chairman of the board, the Vice Chairman, Managing Director, the Chief Executive Officer, and the secretary or any of them, from those positions, and this shall not result in relieving them from their membership in the Board of Directors.</p>
<p style="text-align: center;">17</p>	<p>Article (24): Board Meetings</p> <p>The board of directors shall be convened four times at least each yea. The meeting may be inside the company headquarters or outside based on an invitation from the chairman. The invitation shall be in writing and received by hand or sent by mail, fax or e-mail. The chairman shall call for a meeting whenever two members asked that.</p>	<p>Article (21): Board Meetings</p> <p>1.The Board of Directors shall be convened at least four (4) times a year upon a call by the Chairman upon an invitation from the Chairman made in writing and delivered by registered mail or other means of communication. Chairman of the Board shall invite the Board to a meeting when requested to do so in writing by any member of the Board to discuss one or more issues.</p> <p>2.The Board of Directors shall determine the place for holding its meetings, and they may be held using modern technology.</p>

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18	<p>Article (25): Board Meeting Quorum</p> <p>The board meetings shall not be true until attended by half of members at last, provided that the number of members is no less than three (3) members on their own behalf. The board member may deputize another member to attend the board meetings by virtue of the following controls: 1. The board member may not represent more than one member in attending that meeting. 2. The representation shall be in writing and regarding specific meeting. 3. The representation number shall not exceed two times per year. 4. The acting member may not vote for decisions prohibited by the Law to be voted by the acting members. The board decisions shall be issued by majority of opinions of attending members or those represented. If the votes are equal, the side with which the chairman has voted shall be weighed.</p>	<p>Article (22): Board Meeting Quorum</p> <p>The Board meeting shall not be valid unless attended by at least half of the members, personally or in proxy, and board member may authorize another member to attend the board meetings by virtue of the following controls: 1. The board member may not represent more than one member in attending that meeting. 2. The representation shall be in writing and regarding specific meeting. 3. The representation number shall not exceed two times per year. 4. The acting member may not vote for decisions prohibited by the Law to be voted by the acting members.</p> <p>The resolutions of the Board of Directors shall be issued by at least a majority of the votes of the members present, either in person or represented by proxy, and when the votes are equal, the side with which the Chairman of the meeting voted will prevail. The resolution of the Board of Directors shall be effective from the date of its issuance, unless it stipulates that it shall be effective at another time or when certain conditions are met.</p>
19	<p>Article (26): Board Deliberations</p> <p>The deliberations and decisions of the board of directors shall be recorded in minutes signed by the chairman, the attending board members and the Secretary. These minutes shall be recorded in a private register to be signed by the chairman and secretary.</p>	<p>Article (23): Board Deliberations</p> <p>1.The deliberations and resolutions of the Board of Directors shall be drawn in minutes prepared by the Secretary and signed by the Chairman of the meeting, the attending members of the Board of Directors, and the Secretary. 2. Minutes shall be recorded in a special register signed by the Chairman of the Board of Directors and the Secretary. 3. It is permissible to use modern technology to sign, record deliberations and resolutions, and recording minutes.</p>
20	<p>Article (27): Committees</p> <p>The board of directors shall constitute the appropriate committees for the company</p>	To be Deleted

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	<p>businesses and needs and they may authorize these committees to assume the competences appropriate for them. There shall be coordination between these committees in order to decide on matters presented to them promptly.</p>	
21	New Article	<p>Article (24): Issuing Board Resolutions on Urgent Matters</p> <p>The Board of Directors may issue its resolutions on urgent matters by presenting them to all members by circulation, unless one of the members requests - in writing - a meeting of the Board to deliberate on them. And those resolutions are issued with the approval of the majority of the votes of its members, and these resolutions are presented to the Board in its first subsequent meeting to record them in the minutes of that meeting.</p>
22	<p>Article (28): Attending Assemblies</p> <p>Each subscriber whatever their number of shares is, shall have the right to attend the Constituent Assembly. Each shareholder may attend the General Assemblies of Shareholders. They may deputize another person other than the board of directors' members or the company employee to attend the General Assembly.</p>	<p>Article (25): Attending Assemblies</p> <p>1. Every shareholder has the right to attend the General Assemblies of Shareholders or authorize another person other than the members of the Board of Directors to attend on his/her behalf, provided such proxy is in writing.</p> <p>2. The shareholder may participate in the deliberations of the General Assembly and vote on its decisions by means of modern technology, according to the controls set by the competent authority.</p>
23	<p>Article (29): Constituent Assembly</p> <p>The promoters shall call all the subscribers for holding a constituent assembly within 45 days from the date of Ministry's decision of licensing the company incorporation. The meeting shall not be true unless a number of subscribers representing at least half of the capital attend. If that quorum is incomplete,</p>	To be Deleted

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	<p>an invitation shall be sent to hold a second meeting which shall be held 15 days at least after the invitation is sent. In all cases, the second meeting shall be true whatever the number of representing subscribers is.</p>	
24	<p>Article (30): Competences of the Constituent Assembly</p> <p>The constituent assembly shall be responsible for the matters contained in article (63) of the Companies Act.</p>	To be Deleted
25	<p>Article (33): Call of Assemblies</p> <p>General Assemblies of Shareholder shall be convened under an invitation from the board of directors. The board of directors may convene the ordinary general assembly if the auditor, Audit Committee or a number of shareholders representing at least 5% of the capital. The auditor may convene the assembly if the board of directors did not convene the assembly within 30 days from the auditor's requesting date. The call for holding of the general assembly and agenda shall be published at the website of the capital market (Tadawul), the company website and at a daily newspaper distributed in the company headquarters 21 days at least before the date determined for convention. However, it may be sufficient to direct the invitation on the addressed date to all shareholders by registered letters. A copy of the invitation and the agenda shall be sent to the Ministry of Commerce and Investment and also to the Capital Market Authority within the period specified for publishing.</p>	<p>Article (28): Call of Assemblies</p> <p>1. The Ordinary General Assembly or Special Assemblies shall be held by invitation of the Board. The Board shall call for the Ordinary General Assembly if this is requested by the auditor, the audit committee or a number of shareholders representing at least 10% of the Company's voting shares. The external auditor may call for the General Assembly if the Board fails to call for such Assembly within thirty (30) days from the date of the external auditor's request.</p> <p>2. The invite for the General Assembly shall be published and the agenda on the Capital Market (Tadawul) website and the company's website at least twenty-one (21) days prior to the date scheduled for the meeting through modern technology. A copy of the invitation, including the agenda, shall be sent to the commercial registry as well as to the Capital Market Authority within the period specified for publication.</p>
26	<p>Article (34): Assemblies' Attendance Register</p> <p>The shareholders desiring to attend the general or private assembly shall register their names at the company's headquarters or at the place specified for the meeting</p>	<p>Article (29): Assemblies' Attendance Register</p> <p>The record of the registry by the provisions of Capital Market Law and regulations.</p>

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	before the date specified for the assembly convention.	
27	<p>Article (36): Quorum of the Extraordinary General Assembly</p> <p>The meeting of the Extraordinary General Assembly shall not be true unless it is attended by shareholders representing half (50%) of the capital. If that quorum is incomplete during the meeting, a second meeting shall be held one hour after the duration specified for the first meeting provided that the call for first meeting shall state that there may be another meeting to be hold. In all cases, the second meeting shall be true if it is attended by a number of shareholders representing at least quarter (25%) of the capital. If the necessary quorum for second meeting is incomplete, a call for third meeting shall be addressed to be held under the same conditions stipulated in article (33) of this law. The third meeting shall be true whatever the number of shares representing therein after getting approval from the competent authority</p>	<p>Article (31): Quorum of the Extraordinary General Assembly</p> <p>The meeting of the Extraordinary General Assembly shall not be true unless it is attended by shareholders representing half (50%) of the capital. If that quorum is incomplete during the meeting, a second meeting shall be held one hour after the duration specified for the first meeting provided that the call for first meeting shall state that there may be another meeting to be hold. In all cases, the second meeting shall be true if it is attended by a number of shareholders representing at least quarter (25%) of the capital. If the necessary quorum for second meeting is incomplete, a call for third meeting shall be addressed to be held under the same conditions stipulated in article (91) of Companies Law. The third meeting shall be true whatever the number of shares representing therein after getting approval from the competent authority</p>
28	<p>Article (37): Voting in Assemblies</p> <p>The method of voting in the shareholders' assemblies shall be according to the following: 1. Votes shall be counted in the ordinary and extraordinary assemblies based on one vote for each share. The members of board of directors may not take part in the voting of assembly's decisions that are related to their discharge for the duration of their management. 2. The cumulative voting shall be followed in order to choose the board members from among the members who are appointed by the state on the basis of one vote per each share of shareholders who are entitled to attend the general assembly pursuant to what contained in article (28) of these articles.</p>	<p>Article (32): Voting in Assemblies</p> <p>1. Each shareholder has a vote for each share in the General Assemblies, and the cumulative vote must be used in electing the members of the Board of Directors, so that the right to vote for a share may not be used more than once.</p> <p>2. Members of the Board of Directors may not participate in voting on the decisions of the Assembly that are related to business and contracts in which they have a direct or indirect interest, or that involve a conflict of interests.</p> <p>It is also possible for the shareholders to vote in the company's general assemblies through the electronic voting services that the</p>

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		<p>company provides in coordination with the relevant authorities, and any participating shareholder through the electronic voting services is considered present throughout the meeting and his voting and attendance shall be counted.</p>
29	<p>Article (38): Assemblies' Resolutions</p> <p>The decisions of the constituent assembly shall be issued by absolute majority of the shares represented therein. The decision of the Ordinary General Assembly shall be issued by absolute majority of the shares represented in the meeting and also the decisions of the Extraordinary General Assembly shall be issued by a two-thirds majority of shares represented in the meeting unless the decision is related to capital increase of decrease or to extend the company's term or dissolution before the expiry of the specified term in the company's articles of association or to its merger with another company. In such cases, the decision shall not be true unless it is issued by a three-quarters majority of shares represented in the meeting.</p>	<p>Article (33): Assemblies' Resolutions</p> <p>The resolutions of the Ordinary General Assembly shall be issued with the approval of the majority of the voting rights represented in the meeting .as well, The resolutions of the Extraordinary General Assembly shall be issued with the approval of (two-thirds) of the voting rights represented in the meeting, unless the decision is related to increasing or decreasing the capital, extending the term of the Company, or dissolving it before the expiration of the period specified in its bylaws, or its merger with another company, or its division to two or more companies, and it is not valid unless it is issued with the approval of (three quarters) of the voting rights represented at the meeting.</p> <p>Decisions of general assembly shall become effective from the date of their issuance, unless Companies Law ,and this bylaw or said decisions stipulate a specific date or condition for their effectiveness.</p>
30	<p>Article (41): Committee Formation An Audit Committee</p> <p>shall be constituted under a decision from the Ordinary General Assembly. The number of its members shall be no less than three and no more than five members not from among the board of directors' executive members whether from the shareholders or otherwise. The decision shall states the committee's duties, its working controls and rewards of its members.</p>	<p>To be Deleted</p>

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31	<p>Article (42): Quorum of the Committee's Meeting</p> <p>The meeting of the audit committee shall be true if attended by the majority of its members. It shall issue its decision by majority of votes of those attending. In case the votes are equal, the side with which the chairman has voted shall outweigh.</p>	To be Deleted
32	<p>Article (43): Competences of the Committee</p> <p>The audit committee shall be responsible for controlling the company's businesses. For which purposes, it may have access to the company's records and documents in addition to asking any explanation or statement from the members of board of directors or the executive management. It may ask the board of directors to convene the company general assembly if the board of directors hindered its work or that the company has suffered serious damages or losses.</p>	To be Deleted
33	<p>Article (44): Reports of the Committee</p> <p>The audit committee shall consider the company's financial statements, reports and notes provided by the auditor and express its opinions regarding them if any. It shall also prepare reports about its opinion on the adequacy of the company's internal control system and other assumed works within its scope of competence. The board of directors shall keep sufficient copies of this report in the company's headquarters twenty one days at least before the date of the General Assembly convention to provide each desiring shareholder of a copy of it. The report shall be read out during the assembly.</p>	To be Deleted
34	<p>Article (45): Appointment of Auditor</p>	Article (36): Appointment of Auditor

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	<p>The company shall have one (or more) authorized auditors who shall be appointed by the Ordinary General Assembly who shall determine its rewards and work duration. It may reappoint them provided that the total periods of appointment shall not exceed five consecutive years. If the auditor consumed the specified terms of appointment, they may be re-appointed two years after their expiry. At any time, the assembly may change them without prejudice to their rights to compensation if the change occurred at an inappropriate time or due to illicit grounds.</p>	<p>1.The Company shall have an auditor (or more) from among the licensed auditors in the Kingdom who shall be appointed by the General Assembly and whose fees, duration and scope of work shall be determined by the General Assembly, and he may be re-appointed. Provided that the period of his appointment does not exceed the period in accordance with the provisions prescribed by law. 2. According to a decision taken by the General Assembly, the auditor may be dismissed, and the chairman of the Board of Directors must inform the competent authority of the dismissal decision and its reasons, within a period not exceeding five (5) days from the date of issuance of the decision. 3. The auditor may resign from his mission by virtue of a written report that he submits to the Company, and his mission ends as of the date of its submission or at a later date specified in the notification, without prejudice to the Company's right to compensation for the damage incurred by it if required. The resigned auditor shall submit to the Company and the competent authority - when submitting the report - a statement of the reasons for his resignation, and the Board of Directors shall call the General Assembly to convene to consider the reasons for resignation, appoint another auditor and determine his fees, work duration and scope.</p>
35	<p>Article (48): Financial Documents</p> <p>1. At the end of each fiscal year of the company, the board of directors shall prepare the company financial statements and a report about its activity and financial position about the ended fiscal year. This report shall include the method suggested to distribute the profits. The board shall put these documents at disposal of the auditor 45 days at least before the date specified for the General Assembly convention. 2. The company Chairman, CEO and Financial</p>	<p>Article (36): Financial Documents</p> <p>1. At the end of each fiscal year of the company, the board of directors shall prepare the company financial statements and a report about its activity and financial position about the ended fiscal year. This report shall include the method suggested to distribute the profits. The board shall put these documents at disposal of the auditor 45 days at least before the date specified for the General Assembly convention. 2. The company Chairman, CEO and Financial</p>

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	<p>Manager shall sign the documents referred to in paragraph (1) of this article. Copies of these documents shall be kept in the company's headquarters at the disposal of shareholders 21 days at least before the date specified for the General Assembly convention. 3. The chairman shall provide the shareholders with the company financial statements, report of board of directors and report of the auditor unless they are published in a daily newspaper distributed in the company's headquarters. They shall also send a copy of these documents to the Ministry of Commerce and Investment and also the Capital Market Authority 15 days at least before the General Assembly convention.</p>	<p>Manager shall sign the documents referred to in paragraph (1) of this article. Copies of these documents shall be kept in the company's headquarters at the disposal of shareholders 21 days at least before the date specified for the General Assembly convention. 3. The Chairman shall provide the shareholders with the Company's financial statements, the Board of Directors' report after signing and the Auditor's report -if available-, unless it has been published in any of the modern technology means, at least twenty one (21) days before the date set for the Annual Ordinary General Assembly, and he must also deposit these documents as determined by the relevant regulations of the Capital Market Authority.</p>
<p style="text-align: center;">36</p>	<p>Article (49): Profits Distribution</p> <p>The company annual net profits shall be distributed after deducting all general expenses and other costs including the depreciation reserve according to the following: 1. A percentage of 10% of the net profits shall be set aside to form the statutory reserve of the company. The General Assembly may discontinue such setting aside of such reserve once it has reached 30% of the paid capital. 2. The Ordinary General Assembly, based on a suggestion from the board of directors, may set aside a percentage of 5% of the net profits to form a statutory reserve to be allocated for a specific purpose or purposes determined by the board of directors. This setting aside of such reserve may be discontinued if it has reached 25% of the capital. 3. The Ordinary General Assembly, based on a suggestion by the board of directors, may determine to form other reserves to the extent that serves the interest of the company or guarantees a fixed profit distribution as much as possible to the shareholders. The said assembly may deduct sums from the net profits to establish social</p>	<p>Article (40): Profits Distribution</p> <p>The company distributes interim profits to the shareholders semi-annually or on a quarterly basis, it may delegate the board to do so as per the regulations issued by the Capital Market Authority. The General Assembly may set aside any amount of the company's funds available for distributions to form the General Reserve, or for social purposes of its employees – or its affiliates -, or for purposes related to the company as the Board deems fit for the interests of the company.</p>

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	<p>institutions for the company staff or to help the already existing of these institutions. 4. A percentage of the remaining profits of no less than (5%) of the company's paid capital shall be distributed to the shareholders. 5. After that, the remaining profits may be distributed to the shareholders as an additional profit share or retained in the remaining profits account.</p>	
37	<p>Article (51): Distribution of Preferred Shares' Dividends</p> <p>1. If no dividends were distributed for any financial year, no dividends may be distributed for the consequent years unless after paying the defined percentage pursuant to the provisions of article (114) of the Companies Act to the holders of the preferred shares for that year. 2. If the company failed to pay the specified percentage by virtue of the provision of article (114) of the Companies Act from the profits for three consecutive years, the private assembly of the shareholders which is held by virtue of the provision of article (89) of the Companies Act may decide whether they shall attend the company's General Assembly and participate in the voting or they shall appoint representatives in the board of directors in proportion to the value of their shares in the capital. That shall be until the company is able to pay all priority profits assigned for those shareholders for the previous years.</p>	<p>To be Deleted</p>
38	<p>Article (52): Company's Losses</p> <p>1. If the losses of the joint-stock company reached half (50%) of the paid capital at any time of the financial year, any official inside the company or the auditor once they know about that shall inform the chairman of the board of directors. The chairman shall thereby inform the board members</p>	<p>Article (42): Company's Losses</p> <p>If losses of the Company reach one-half of the issued capital, the Board of Directors shall disclose it and their recommendations within (60) days from the date the Board came to be aware of the losses, and invite the Extraordinary General Assembly to convene within (180) days from the date of knowledge</p>

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	<p>immediately. The board of directors shall, within 15 days from the date they knew about that, convene the Extraordinary General Assembly within 45 days from the date they knew about the losses in order to decide whether it shall increase or decrease the company's capital by virtue of the Companies Act's provisions to the extent that the percentage of losses decreases to below half of the paid capital, or shall dissolve the company before term specified in the Companies Act. 2. The company shall be deemed expired by fore of the Companies Act if the General Assembly did not met within the period specified in paragraph 1 of this article, if met but was unable to issue a decision in that regard or if it has decided to increase the capital under the specified conditions in this article but no subscription occurred in each increase of capital within 90 days from the issuance of the assembly's decision of increase.</p>	<p>to consider continuation of the Company while taking any necessary procedures to resolve such losses or to dissolve the Company.</p>
<p>39</p>	<p>Article (53): Claim of Liability</p> <p>Each shareholder has the right to file a claim of liability as determined for the company against the board of directors' members if they were harmed due to a fault from their side. The shareholder may not file the said claim unless the right of company to file it is still existing. The shareholder shall inform the company of their intention to file the claim</p>	<p>Article (43): Claim of Liability</p> <p>1.Any shareholder or more representing (five percent) of the Company's capital may file a liability claim on behalf of the Company in the event that the Company does not file it, provided that the main objective of filing the claim is to achieve the interests of the Company, and that it is based on a valid basis, and that the plaintiff is acting in good faith, and a shareholder in the Company the time of filing the liability claim. 2. In order to file the liability claim referred to in paragraph (1) of this Article, the members of the Board of Directors shall be notified of the intention to file the liability claim at least (fourteen) days before the date of filing it. 3. The shareholder may file his personal claim against members of the Board if the action made by them would cause damage specific to such shareholder. 4. The company may provide liability insurance coverage for its</p>

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		board member or any employee during the term of service or membership against any claim made against him in his capacity, The claim will not be compensated if it is due fraud, or misconduct willful by caused.
40	<p>Article (54): Dissolution of the Company</p> <p>Once terminated, the company shall be dissolved and shall retain the legal personality as much as necessary for liquidation. The optional liquidation decision shall be issued by the Extraordinary General Assembly. The decision shall include the appointment of liquidator, identify their powers, fees, limitations of their powers and the necessary period for liquidation. The optional liquidation period shall not exceed five years and may not be extended further except by a court order. The powers of the board of directors shall be terminated upon dissolution. However, the board members shall remain in charge of managing the company. They shall be deemed for others as liquidators until a liquidator is appointed. The shareholders' assemblies shall exist during the liquidation period and their role shall be limited to exercising their competences that do not conflict with the liquidator's competences.</p>	<p>Article (44): Dissolution of the Company</p> <p>The Company may be dissolved by one of the reasons for dissolution mentioned in Article 243 of the Companies Law, and upon its dissolution, it enters the stage of liquidation in accordance with the provisions of Chapter 12 of the Companies Law. If the Company is dissolved and its assets are not sufficient to pay its debts or if it is in default according to the Bankruptcy Law, it must apply to the competent judicial authority to open any of the liquidation procedures according to the Bankruptcy Law.</p>
41	<p>Article (55): Final Provisions</p> <p>Except as otherwise provided for herein, the Companies Act and its Regulations shall apply.</p>	<p>Article (45): Final Provisions</p> <p>The Companies Law and Capital Market Law and their implementing regulations shall apply to anything not covered herein. Any text that contradicts the provisions of the Companies Law in this bylaw shall not be considered and the provisions of the Companies Law shall be applied against it</p>



**For inquiries, please contact the shareholder Affairs
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