

Saudi Public Transport Co. Bylaw (Saudi Public Joint-Stock Company)

Chapter1: Incorporation of the Company

Article (1): Incorporation

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:

Article (2): Company Name

Saudi Public Transport Company (Saudi public joint-stock company).

Article (3): 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.

Article (4): Corporate Participation and Ownership:

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.

Article (5): Headquarters

The headquarters of the company shall be located in Riyadh city. The management of the company may establish other branches, offices, agents inside or outside the Kingdom if needed.

Article (6): Term of the Company

The term of the company shall be ninety-nine years according to the Islamic lunar calendar starting from the date of its registration in the commercial register. The term may always be extended by a resolution issued by the Extraordinary General Assembly one year before its termination.

Chapter2: Capital & Shares

Article (7): The Capital

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.

Article (8): Subscription to Shares

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.

Article (9): Preferred Shares

The company Extraordinary General Assembly may, according to the rules laid by the competent authority, issue preferred shares, decide to purchase them, transfer ordinary shares to preferred ones or the other way around. The preferred shares shall not give the shareholders the right to vote in the General Assemblies. These shares grant their holders the right to obtain a higher ratio of the company's net profits than holders of ordinary shares after retaining the statutory reserve pursuant to the provisions of the Islamic Law

Article (13): Shareholders Register

The company shares shall be traded in compliance with the Capital Market Rules and Regulations.

Article (11): Increase of Capital

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.

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.

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

4. Capital may be increased by one of the following ways:

- 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

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 end dates, taking into account the type and category of the share he/she owns.

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.

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.

The shareholder may sell or assign the pre-emption right, with or without consideration, as specific in the regulations.

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.

Article (12): Capital Reduction

1. The Extraordinary General Assembly may decide to reduce the capital if it exceeds the Company's needs or if it suffers losses. Only 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.

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.

3. Equality between shareholders holding shares of the same type and class must be taken into account when reducing capital.

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

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.

Article (14): Debt Instruments and Financing Deeds:

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.
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.

Chapter3: Board of Directors

Article (15): Company Management

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.

Article (16): Termination of Board Membership

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.

Article (17): Vacant Position in the Board

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.

Article (18): The Board Authority

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.
- 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.

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.

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.

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.

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 it sees within its competence and powers.

5. The board of directors, at its discretion, may discharge the company's debtors of their liabilities according to what achieve its interest provided.

Article (19): Board Members Remuneration

A lump sum shall be distributed as an annual bonus to the board members provided that this bonus shall be proportional to the number of sessions attended by the member and also a lump sum for each session within the limits stipulated by the Companies Act & Regulations pursuant to the provisions of article (76) of the Companies Act and the regulations set by the competent authority. The report of the board submitted to the Ordinary General Assembly shall include a comprehensive statement of all bonuses and allowances obtained by the board members during the fiscal year in addition to other advantages. It shall also include a statement of what the board members received as employees or administrative staff or what they received in exchange of technical or administrative works or consultations. It shall include also statement of the number of the board sessions and number of sessions attended by each member from the date of General Assembly last meeting.

Article (20): Authority of Chairman, Vice-Chairman, Managing Director and Secretary

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.

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.

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 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).

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.

5. 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.

6. Subject to the power stipulated in paragraph (2), the board of directors shall appoint a CEO, define its competences, responsibilities and salary.

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.

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.

Article (21): Board Meetings

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.

2.The Board of Directors shall determine the place for holding its meetings, and they may be held using modern technology.

Article (22): Board Meeting Quorum

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.

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.

Article (23): Board Deliberations

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.

Article (24): Issuing Board Resolutions on Urgent Matters

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.

Chapter3: Shareholders' Assemblies

Article (25): Attending Assemblies

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.
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.

Article (26): Competences of Ordinary General Assembly

Excepting the matters entrusted to the Extraordinary General Assembly, the Ordinary General Assembly shall be responsible for all matters related to the company. It shall be held one time at least each year within the six months consequent to the end of company fiscal year. Other ordinary general assemblies may be convened whenever necessary.

Article (27): Competences of Extraordinary General Assembly

The Extraordinary General Assembly shall be competent in modifying the basic law of the company excepting the matters prohibited by general law. It may issue decisions regarding matters within the competence of the Extraordinary General Assembly under the same conditions and situations determined for the Ordinary General Assembly.

Article (28): Call of Assemblies

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.
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.

Article (29): Assemblies' Attendance Register

The record of the registry by the provisions of Capital Market Law and regulations.

Article (30): Quorum of the Ordinary General Assembly

The meeting of the Ordinary General Assembly shall not be true unless it is attended by a number of shareholders representing at least quarter (25%) of the capital. If the necessary quorum is incomplete, the second meeting shall be held one hour after the end of the specified duration for holding 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 whatever the number of shares represented therein.

Article (31): Quorum of the Extraordinary General Assembly

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.

Article (32): Voting in Assemblies

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.

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.

It is also possible for the shareholders to vote in the company's general assemblies through the electronic voting services that the 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.

Article (33): Assemblies' Resolutions

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.

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.

Article (34): Discussion in Assemblies

Each shareholder may discuss the issues included in assembly's agenda and ask questions related to them to the members of board of directors and the auditor. The board of director or the auditor shall answer the shareholders' questions inasmuch as it does not expose the company's interest to harm. If the shareholder finds the answer to his questions is not convincing, they may refer to the assembly whose decision shall be enforced.

Article (35): Chairmanship of Assemblies and Preparation of Minutes

The General Assemblies of Shareholders shall be headed by the chairman of the board of directors or the vice-chairman in case of their absence or whoever deputized by the board of directors from among its members for that purpose in case the chairman and vicechairman are absent. The minutes of the assembly meeting shall be edited including the number of attending or represented shareholders and the number of shares in their possession in person or by proxy and number of votes determined for them in addition to the decisions adopted and number of votes for and against and adequate summary of the discussions took place during the meeting. The minutes shall be recorded regularly following each meeting in a special register to be signed by the chairman, secretary and votes collector.

Chapter4: The Auditor

Article (36): Appointment of Auditor

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.

Article (37): Competences of the Auditor

At any time, the auditor may have access to the company's books, records and other documents. They may also ask for statements and explanations they see necessary. In order to verify the company's assets and liabilities and all that fall within the scope of its work. The chairman shall enable them to practice their duties. If the auditor finds difficulty in that regard, they shall prove that in a report that they shall submit to the board of directors. If the assembly did not facilitate the work of the auditor, they shall ask the board of directors to convene the Ordinary General Assembly to consider that issue. The auditor may not disclose to the shareholders other than the General Assembly or to others the secrets they had with them because of their work.

Chapter5: Company Accounts & Profits Distribution

Article (38): The Fiscal Year

The company's fiscal year begins on January 1 and ends at the end of December.

Article (39): Financial Documents

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 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.

Article (40): Dividends Distribution

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.

Article (41): Dividends Entitlement

The shareholder shall be entitled to their profit share by virtue of the General Assembly decision issued in this regard. The decision shall state the due date and date of distribution. The eligibility of profits shall be for shareholders who are registered in the shareholders' registers at the end of the day set for maturity.

Article (42): Company's Losses

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 to consider continuation of the Company while taking any necessary procedures to resolve such losses or to dissolve the Company.

Chapter6: Disputes

Article (43): Claim of Liability

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 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.

Chapter7: Dissolution and Liquidation of the Company

Article (44): Dissolution of the Company

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.

Article (45): Final Provisions

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