

**By-law of Alandalus Property Company**  
**(Listed Saudi joint stock company)**  
**Chapter One: Establishment of the Company**

**Article 1: Establishment**

A Saudi joint stock company has been established in accordance with the provisions of the Companies Law and its Implementing Regulations, and this By-law.

**Article 2: Name of the Company**

Alandalus Property Company (Listed Saudi joint stock company)

**Article 3: Objectives of the Company**

The Company will carry out the following activities:

- 1- Establishing, owning and managing malls, commercial centers and residential compounds.
- 2- General contracting, including residential and commercial buildings, educational, recreational and health facilities, roads, dams, water and sanitation projects, and electrical and mechanical works.
- 3- Maintaining and operating real estate facilities and commercial buildings.
- 4- Owning, developing and investing lands and real estate properties for the Company's benefit within the limits of its objectives.
- 5- Establishing, owning, investing, maintaining and operating medical centers, hotels, tourist and recreational centers and complexes.
- 6- Importing materials, devices, furniture, tools and equipment for use in the Company's projects.
- 7- Investing the Company's funds in stocks and other securities subject to applicable legal and regulatory controls.

The Company starts conducting its activities after obtaining the necessary licenses from the competent authorities, if applicable.

**Article 4: Participation and Ownership in other Companies**

The Company may establish on its own limited liability or closed joint stock companies with a capital of no less than five (5) million Saudi Riyals. It may also own shares and stakes in, or merge with other existing companies, participate with others in establishing joint stock or limited liability companies, subject to fulfilling the requirements of the applicable regulations and instructions. The company may also dispose of such shares or interests, provided that no trading brokerage is involved.

**Article 5: Head Office of the Company**

The head office of the Company is located in the city of Riyadh in the Kingdom of Saudi Arabia. The Company may establish branches, offices or agencies inside or outside the Kingdom under a decision to be taken by the Board of Directors.

**Article 6: Term of the Company**

The term of the Company is ninety-nine (99) Gregorian years starting from the date of its registration in the Commercial Register. This term may always be extended under a decision to be issued by the extraordinary general assembly at least one year before the end of its term.

## Chapter Two: Capital and Shares

### Article 7: Capital of the Company

The Company's capital is SR 933,333,330.00 (nine hundred thirty-three million three hundred and thirty-three thousand three hundred and thirty Saudi riyals), divided into 93,333,333 (ninety-three million three hundred and thirty-three thousand three hundred and thirty-three) nominal shares of equal value, the value of each of which is 10 (Ten) Saudi Riyals, all of which are ordinary cash shares.

### Article 8: Subscription to Shares

The shareholders have fully subscribed to and fully paid the share capital.

### Article 9: Preferred Shares

Subject to the guidelines and controls set by the competent authority, the extraordinary general assembly of the Company may issue preferred shares, decide to buyback such shares, convert ordinary shares into preferred shares, or convert preferred shares into ordinary shares. However, preferred shares do not give shareholders the right to vote at general assemblies. In addition to the right to receive dividends distributed from net profits on ordinary shares, preferred shares entitle their holders to receive a higher percentage of the net profits than that payable to ordinary shares holders after setting aside the statutory reserve.

### Article Ten: Selling Unpaid Shares

The shareholder must pay the value of the share on the due dates. However, if a shareholder fails to pay the share value on the due date, the Board of Directors may, after notifying such shareholder through an official gazette or registered mail, sell such shares in a public auction or the stock market, as the case may be, subject to the regulations set by the competent authority. The Company will recover from the sale proceeds any amounts due to it and refund the balance to the shareholder. If the sale proceeds fall short of the amounts due, the Company shall have recourse against the assets of the shareholder for the unpaid balance. Nevertheless, the defaulting shareholder may, at any time up to the day set for public auction, pay up the amount due in addition to any related expenses incurred by the Company. The Company shall then cancel the sold share and issue the buyer a new share bearing the serial number of the cancelled share, and note this down in the Company's shareholder register indicating the name of the new holder of the share.

### Article 11: Issuance of Shares

All shares of the Company shall be nominal and may not be issued at less than their par value. However, shares may be issued at above this value, in which case, the difference in value shall be added as a separate item in the shareholders equity and may not be distributed as dividends to shareholders. The share shall not be indivisible vis-a-vis the Company. If a share is jointly owned by several persons, such persons must nominate one of them to exercise the rights attached to the share on their behalf while they shall be jointly liable for the obligations arising from the joint ownership of such share.

### Article 12: Tradability of Shares

The shares subscribed by the founders may not be traded before the publication of the financial statements for two fiscal years, each not less than 12 calendar months, from the date of the Company's incorporation. A notation shall be made on the respective share register, indicating their class, the date of incorporation of the Company, and the period during which shares may not be traded. However, during the lock-up period and subject to the legal provisions, the shares may be transferred from one founder to another, or from the heirs of a deceased founder to a third party or, in the event of the seizure of funds of an insolvent or bankrupt founder, provided

that other founders are given priority to acquire ownership of such shares. The provisions of this article shall apply to the shares subscribed by the founders in case of capital increase before the expiry of the lock-up period. The Company may also buy its ordinary or preferred shares whether to reduce its capital, maintain them as treasury shares, or to allocate them to employee share plan. The Company may also sell or pledge such shares subject to the applicable regulations set by the competent authority.

#### Article 13: Shareholders Register

The Company's shares may be traded in accordance with the provisions of the Capital Market Law.

#### Article 14: Capital Increase

- 1- The Extraordinary General Assembly may decide to increase the Company's capital, provided that the capital has been paid in full. However, this is not required if the unpaid portion of the capital relates to shares issued against converting debt instruments or financing instruments into shares while the deadline set for conversion has not yet expired.
- 2- The Extraordinary General Assembly may, in all cases, allocate the shares issued upon capital increase, or part thereof, to the Company's employees and subsidiaries, or some or any of them. The shareholders may not exercise the priority right when the Company issues shares allocated to employees.
- 3- When the extraordinary general assembly's decision is issued approving the capital increase, the shareholder who owns the share shall have a priority right to subscribe to the new shares issued against cash interests. The Shareholders shall be notified of their priority right and resolution to increase the capital, subscription conditions and duration thereof, by publication in a daily newspaper or registered mail.
- 4- The Extraordinary General Assembly may suspend the priority right of shareholders to subscribe to the capital increase in exchange for cash shares or give priority to non-shareholders in the cases it deems appropriate for the interest of the Company.
- 5- The shareholder has the right to sell or relinquish the right of priority during the period from the time of the issuance of the General Assembly's decision approving the capital increase until the last day of subscribing to the new shares associated with these rights, in accordance with the regulations set by the competent authority.
- 6- Subject to paragraph (4) above, the new shares shall be distributed to the priority right holders who requested to subscribe, in proportion to the shares they own from the total priority rights resulting from the capital increase, provided that the number of shares allotted to them does not exceed the number of new shares they have applied for. The remainder of new shares shall be distributed to the holders of priority rights who requested more than their shares, in proportion to their priority rights out of the total priority rights arising from the capital increase, provided that their total allotment does not exceed the number of new shares they have requested. The remaining shares will be offered to third parties, unless otherwise decided by the Extraordinary General Assembly or provided by the Capital Market Law.

#### Article 15: Capital Decrease

The Extraordinary General Assembly may decide to reduce the capital if it exceeds the Company's need or if the Company suffers losses. Only in the latter case the capital may be reduced below the limit stipulated in Article (fifty-fourth) of the Companies Law. The reduction decision shall only be issued after reading a special report prepared by the Auditor on the reasons for it, the obligations of the Company, and the effect of the reduction on such obligations. If the capital reduction is that it exceeds the Company's need, the creditors must be

invited to express their objections to it within sixty days from the date of publishing the reduction decision in a daily newspaper distributed in the area in which the Company's head office is located. If any of the creditors objects and submits his documents to the Company on the aforementioned date, the Company must pay his debt if it is due or provide him with a sufficient guarantee to pay the debt if it is deferred.

### Chapter Three: Board of Directors

#### Article 16: Company Management:

The Company is managed by a board of directors consisting of nine (9) members elected by the Ordinary General Assembly for a period not exceeding three Gregorian years.

#### Article 17: Termination of Board Membership:

The membership of the Board shall terminate upon the expiry of its term or upon the expiry of the member's eligibility in accordance with any regulation or instructions in force in the Kingdom. However, the Ordinary General Assembly may at any time dismiss all or some of the Board members without prejudice to the dismissed member's right towards the Company to claim compensation if the dismissal occurred without acceptable justification or at an inappropriate time. However, the board member may resign at an appropriate time, otherwise he will be responsible before the Company for the damages resulting from his resignation.

#### Article 18: Board Vacancy

If the position of a director becomes vacant, the Board may appoint a temporary director to the vacant position, provided that such temporary member must have sufficient experience and capability. The Ministry and the Capital Market Authority shall be notified of such appointment within five business days from the date of appointment. The appointment must be presented to the Ordinary General Assembly at its first meeting. The new director shall complete the term of his predecessor. If the Board meeting may not be convened because the number of directors fall below the minimum number legally required under the Companies Law or this By-law, the current directors shall invite the Ordinary General Assembly to convene within sixty (60) days to elect the required number of directors.

#### Article 19: Powers of the Board

- A) Subject to the powers reserved for the General Assembly, the Board of Directors shall have the widest powers in managing the Company and oversee its affairs and disposing of its assets, property and real estate. The Board of Directors shall have the right to buy, accept, pay the price, pledge, release the pledge, sell, transfer, receive the price and hand over the subject asset. However, in respect of the sale of the Company's properties, The minutes of the Board of Directors and the its decision to dispose of the Company's assets, property and real estate, taking into account the following conditions:
1. The Board's sale decision shall specify the reasons and justifications for sale;
  2. The sale price shall be similar to the price of like assets;
  3. The sale shall be immediate except in emergencies, and with sufficient guarantees;
  4. The disposition shall not result in suspension of some of the Company's activities or the company incurring additional encumbrances.

The Board of Directors may enter into loan agreements with governmental and non-governmental funds and financing institutions regardless of the tenor thereof, and commercial loans with terms not exceeding the term of the Company. However, loan agreement for more than three years shall be subject to the following conditions:

- 1- The value of the loans that the Board may enter into during the Company's financial year shall not exceed 75% of the total Company shareholders equity.
- 2- The Board of Directors' decision shall specify how the loan will be used and repaid.
- 3- It must be taken into account that the term of the loan and the guarantees provided shall not adversely affect the Company, its shareholders, or the general guarantees provided to the creditors.

The Board of Directors shall also have the right to enter in the name and on behalf of the company into reconciliation, assignment, contracts, commitments and obligations. The Board of Directors may carry out all acts and actions that would achieve the Company's objectives.

- B) The Company's Board of Directors may, in the cases it deems appropriate, release the Company's debtors of their obligations in a manner that would serve the Company's interest, provided that the decision of the Board shall consider the following conditions:
- 1- The release must be at least one full year after the debt origination.
  - 2- The release must be for a specified maximum amount per year for each debtor.
  - 3- The power to release creditors is reserved for the Board and may be delegated in accordance with the terms and conditions set by the Board.

The Board of Directors may, within the limits of its powers, authorise one or more of its members or a third party to carry out a specific act, action, work(s).

#### **Article 20: Remuneration of Board Members**

Remuneration of the Board consists of a fixed amount, an attendance fee for attending the meetings of the Board or committees, subject to relevant guidelines and regulations. The member shall also be entitled to a remuneration in return for the technical, administrative or advisory work assigned to him. The report of the Board of Directors to the General Assembly must include a comprehensive statement of all payments received by the Board members during the fiscal year including remuneration, expense allowance and other benefits, a statement of the amounts received by the Board members in their capacity as employees or administrators, or in return for technical, administrative or consultative services, and a statement of the number of Board sessions and the number of meetings attended by each member after the date of the last meeting of the General Assembly

#### **Article 21: Powers of the Chairman, Vice Chairman, Managing Director and Secretary**

The Board of Directors shall appoint from among its members a chairman and a vice-chairman, and may appoint a managing member from among its members. The chairman of the Board of Directors may not hold any other executive position in the Company. The chairman shall have the power to call the Board of Directors to meet and chair the Board meetings. The Vice Chairman of the Board of Directors shall replace the Chairman of the Board in his absence.

The Chairman of the Board shall represent the Company before the courts, arbitral tribunals and third parties. The Chairman of the Board may, by a written decision, delegate some of his powers to other members of the Board or to third parties to undertake specific work(s).

The Chairman shall also have the right to sign all kinds of contracts, documents and bonds, including without limitation articles of incorporation of the companies in which the Company participates and amendments thereto, sign agreements, bonds, title transfer before notaries and official bodies, loan agreements, guarantees and collaterals, follow-up transactions, collect the Company's rights, pay the Company's obligations, sale, purchase, transfer and acceptance thereof, receive, deliver, rent, lease, receive and pay funds, open accounts and letters of credit, withdraw and deposit funds with banks, issue bank guarantees, sign documents and checks.

The Chairman may also appoint, dismiss, contract with employees and workers, and determine the salaries, and appoint agents and lawyers for the Company, and delegate one or more members of the Board or a third party to carry out certain work or works.

In addition, the Vice Chairman and the managing director shall have the powers determined by the Board of Directors.

The Board of Directors shall, at its discretion, determine the special remuneration to be received by the Chairman, Vice-Chairman and Managing Director, in addition to the remuneration prescribed for the Board members under this By-law.

The Board of Directors shall also appoint a Board Secretary to be selected from among its members or others. The Secretary shall be responsible for recording the minutes of Board meetings, recording and keeping the decisions issued by such meetings, in addition to exercising the other functions entrusted to it by the Board of Directors. The Board shall determine his remuneration.

The term of membership of the Chairman, Vice Chairman, the Managing Director and the Secretary of the Board of Directors shall not exceed the membership of each of them in the Board. However, they may be re-elected. The Board may at any time dismiss all or any of them without prejudice to the right of the dismissed directors to be compensated if the dismissal occurred for unlawful reason or at an inappropriate time.

#### **Article 22: Board Meetings**

The Board of Directors shall meet at least twice a year upon a call by its Chairman. The call shall be in writing and may be delivered by hand or sent by post or e-mail. The Chairman of the Board must call the Board to meet whenever requested by two directors.

#### **Article 23: Quorum of the Board Meeting:**

The meeting of the Board shall not be valid unless attended by at least five members, provided that the number of those present in person is not less than five members. The director may delegate another director to attend meetings of the Board on his behalf subject to the following conditions:

- 1- A member of the board of directors may not represent more than one member in attending that meeting.
- 2- The delegation must be issued in writing and for a specific meeting.
- 3- A director representing another director may not vote on resolutions that the principal is prohibited from voting on under the law.

The decisions of the Board shall be issued by majority vote of the members present or represented. In case of a tie, the meeting chairman shall have the casting vote.

The Board of Directors may issue decisions on urgent matters by presenting them to the members separately, unless a member requests in writing that a Board meeting be held to deliberate the subject decisions. However, such decisions shall be presented to the Board of Directors at its first following meeting.

#### **Article 24: Board Deliberations**

Deliberations and resolutions of the Board shall be recorded in minutes to be signed by the Chairman, the Directors present and the Secretary. Such minutes shall be maintained in a special register which shall be signed by the Chairman and the Secretary.

## Chapter Four: Shareholders' Assemblies

### Article 25: Attending Assemblies

Each subscriber, regardless of the number of his shares, has the right to attend the constituent assembly. Each shareholder has the right to attend the general shareholders assemblies and may delegate another person who is not a Board member or employee of the Company to attend the general assembly and vote on the agenda items on his behalf.

### Article 26: The Constituent Assembly:

The founders shall call all subscribers to hold a constituent assembly within forty-five days from the date of the Ministry's decision approving the establishment of the Company. For the meeting to be valid, it must be attended by a number of subscribers representing at least half of the capital. If this quorum is not met, a call shall be made for a second meeting to be held at least fifteen days following the date on which the call was made. In all cases, the second meeting shall be valid regardless of the number of subscribers represented therein.

### Article 27: Functions of the Constituent Assembly

The Constituent Assembly shall deal with the matters set out in Article 63 of the Companies Law.

### Article 28: Functions of the Ordinary General Assembly:

Except the matters reserved for the Extraordinary General Assembly, the Ordinary General Assembly shall deal with all Company related matters. It shall convene at least once a year during the six months following the end of the Company's financial year. Other ordinary general meetings may also be convened whenever need arises.

### Article 29: Functions of the Extraordinary General Assembly

The Extraordinary General Assembly shall have the power to amend the Company's By-Law except for such provisions as may not be amended under the law. The Extraordinary General Assembly may pass resolutions on matters falling within the competence of the Ordinary General Assembly subject to the same conditions applicable to the latter.

### Article 30: Invitation to the General Assemblies:

General and special assemblies shall be convened upon an invitation by the Board of Directors in accordance with the Company's law and its implementing regulations. The Board of Directors shall call for an Ordinary General Assembly if requested to do so by the Auditor, the Audit Committee or a number of shareholders representing at least 5% of the capital. The Auditor may call a General Assembly if the Board of Directors does not call the assembly to convene within thirty days from the date of auditor's request. The invitation to hold the General Assembly and the agenda shall be published in a daily newspaper distributed at the Company's head office at least twenty-one days prior to the date set for the Assembly. However, it is sufficient to send the invitation by registered mail to all shareholders within the mentioned time limit. through Tadawul website or by registered letters. A copy of the invitation and the agenda shall be sent to the Ministry and the Capital Market Authority within the period set for publication.

### Article 31: Assemblies Record of Attendance

Shareholders who wish to attend general or special assemblies shall register their names at the Company's head office or the venue of the meeting before the time set for such meeting.

### Article 32: Quorum of the Ordinary General Assembly Meeting:

The meeting of the Ordinary General Assembly shall not be valid unless attended by shareholders representing at least one quarter of the capital. If the quorum required for this meeting, the second meeting shall be held one hour after the end of the period specified for the

first meeting, provided that the invitation to hold the first meeting includes an announcement of the possibility of holding this meeting. In the event that the first invitation does not include the possibility of holding the second meeting, the invitation is sent to a second meeting to be held within the thirty days following the previous meeting, and this invitation shall be published in the manner stipulated in Article 30 of this Bylaw..

In all cases, the second meeting shall be valid regardless of the number of shares represented thereat.

#### **Article 33: Quorum for the Extraordinary General Assembly Meeting:**

The meeting of the Extraordinary General Assembly shall not be valid unless attended by shareholders representing half of the capital. If this quorum is not met at the first meeting, the second meeting will be held an hour after the end of the period specified for convening the first meeting, provided that the invitation to hold the first meeting includes an announcement of the possibility of holding this meeting. If the first invitation does not include the possibility of holding the second meeting, an invitation will be sent for a second meeting, to be held under the same conditions set out in Article (30) of this by-law.

In all cases, the second meeting shall be valid if attended by a number of shareholders representing at least quarter of the capital.

If the required quorum is not met at the second meeting, an invitation shall be sent to for a third meeting to be held under the same conditions set out in Article (30) of this by-law. The third meeting shall be valid irrespective of the number of shares represented therein, after the approval of the competent authority.

#### **Article 34: Voting in Assemblies**

Each subscriber shall have one vote for each share he represents at the constituent assembly. Each shareholder shall have one vote for each share at the general assemblies. The cumulative vote must be used in electing the Board of Directors.

#### **Article 35: Assemblies Resolutions**

Resolutions of the Constituent Assembly shall be passed by absolute majority of the Shares represented therein. The resolutions of the Extraordinary General Assembly shall be passed by majority vote of two thirds of the Shares represented, except for resolutions to increase or decrease the capital, extend the term of the Company, wind up the Company before the end of the term specified in its by-law, or merge the Company with another company, in which event, the resolution shall not be considered valid unless it is passed by a majority of three quarters of the Shares represented at the meeting.

#### **Article 36: Deliberation in Assemblies**

Each shareholder shall have the right to discuss the items listed in the Assembly's agenda and raise questions in respect thereof to the Directors and the Auditors. The Directors or the Auditors shall answer the Shareholders' questions to such extent as would not jeopardize the Company's interest. If a shareholder deems the answer to the question unsatisfactory, then they may refer the issue to the General Assembly, resolution of which shall conclusive and binding.

#### **Article 37: Chairing General Assemblies and preparing minutes**

The meetings of the shareholders general assembly will be chaired by the Chairman of the Board or his deputy in his absence, or whoever is designated by the board of directors from among its members for this task in the event of the absence of the chairman and his deputy. Minutes of the assembly meeting will be drawn up showing the number of shareholders present or represented, number of shares they hold in person or by proxy, number of votes attached thereto, the decisions taken, the number of votes which agreed or disagreed thereto, and a

complete summary of the discussions that took place at the meeting. Minutes shall be recorded regularly after each meeting in a special register signed by the chairman of the assembly, the secretary and canvasser.

#### Chapter Five: Audit Committee

##### Article 38: Formation of the Committee:

An audit committee shall be formed pursuant to a decision of the Ordinary General Assembly. The Audit committee will consist of (3) members who are not executive directors. Such members may be selected from shareholders or others. The decision shall specify the terms of reference and functions of the committee and remuneration of its members.

##### Article 39: Quorum of Committee meetings

For the audit committee meeting to be valid, the meeting must be attended by the majority of its members. The Committee decisions shall be issued by majority vote of attendees. In case of tie, the chairman of the Committee shall have a casting vote.

##### Article 40: Functions of the Committee

The Audit Committee is responsible for monitoring the Company's business. For this purpose, it has the right to review the Company's records and documents, request any clarification or statement from the members of the Board or the Executive Management. It may request the Board of Directors to call the Company's general assembly to convene if the Board obstructs the Committee's work or the Company suffers serious damages or losses.

##### Article 41: Committee Reports

The Audit Committee shall consider the Company's financial statements, reports and notes provided by the Auditor, and express its views thereon, if any. It shall also prepare a report on its view on the adequacy of the Company's internal control system and the other activities it carried out within its terms of reference. The Board of Directors shall maintain sufficient copies of this report at the Company's head office at least (twenty-one) days before the date set for the general assembly in order to provide each of the shareholders with a copy thereof. The report shall be read out during the meeting.

#### Chapter Six: Auditor

##### Article 42: Appointment of the auditor:

The Company must have one or more auditors from among the auditors licensed to work in the Kingdom. Such auditor(s) shall be appointed annually by the Ordinary General Assembly which shall also determine their remuneration and the term of work. The Audit Committee may at any time remove such auditor without prejudice to their entitlement for compensation if the removal is made at an inappropriate time or without acceptable justification

##### Article 43: Powers of the auditor:

The auditors shall have access at all times to the Company's books, records and any other documents, and may request information and clarification as they deem necessary to further verify the Company's assets and liabilities, and other matters falling within their scope of work. The Chairman of the Board shall enable the auditor to perform their duty. If the Auditor encounters difficulty in this regard, it shall report such difficulty to the Board. If the Board does not facilitate the Auditor's work, the Auditor shall request the Board to call the Ordinary General Assembly to consider the matter.

#### Chapter Seven: Company Accounts and Profit Distribution

##### Article 44: Fiscal year

The Company's fiscal year shall commence on 1 January and expire on 31 December each Gregorian year. However, the Company's first fiscal year shall commence from the date on which the Company registered in the Commercial Register until the end of December of the following calendar year.

#### **Article 45: Financial Documents**

- 1- At the end of each fiscal year, the Board of Directors shall prepare the Company's financial statements and a report on the Company's activities and financial position for the past financial year. The report shall set out the proposed method for distribution of net profits. The Board shall provide all such documents to the Auditors at least 45 days prior to the date set for the General Assembly.
- 2- The Chairman of the Board, the Chief Executive Officer and the chief Financial Officer shall sign the documents referred to in paragraph (1) of this Article, a copy of which shall be maintained at the Company's head office in order to be available to the Shareholders at least 21 days before the meeting of the General Assembly.
- 3- The Chairman of the Board shall provide the shareholders with the Company's financial statements, the Board report, and the Auditor's report, unless they are published in a daily newspaper distributed at the Company's head office. The Chairman shall also send a copy of these documents to the competent authority at least fifteen (15) days before the date set for the Assembly meeting.

#### **Article 46: Distribution of Profit**

The Company's annual net profits shall be distributed as follows:

1. 10% of the net profit shall be set aside to form the Company's statutory reserve. The Ordinary General Assembly may suspend such allocation when the said reserve equals 30% of the Company's paid up capital.
2. The Ordinary General Assembly may, at the request of the Board of Directors, set aside 10% of the annual net profits to form a general contractual reserve.
3. The Ordinary General Assembly may decide to form additional contractual reserves to the extent that would serve the Company's interest or ensure distributing consistent dividends to shareholders. The said Assembly may also deduct sums from the net profits to establish social plans for the Company's employees or to support such existing plans.
4. Out of the balance, a percentage representing 5% of the Company's paid up capital shall be distributed to Shareholders, or as may be decided by the Ordinary General Assembly.
5. Subject to the provisions of Article (20) of this Bylaw and Article (76) of the Companies Law, out of the balance, up to 5% shall be allocated to the Board of Directors' remuneration, provided that such remuneration shall not in all cases exceed the maximum limits allowed under the Companies Law. and its regulations and subject to the applicable rules, decisions, and official instructions issued by the competent authorities, provided that the entitlement to this remuneration shall be proportional to the number of sessions attended by the Board member.

The Company's Board of Directors may, subject to the rules and regulations issued by the competent authorities, distribute semi-annual and quarterly profits, as it deems appropriate.

#### **Article 47: Entitlement to Dividends**

The shareholder shall be entitled to their share of the profits in accordance with the resolution of the General Assembly issued in this regard. The resolution shall indicate the entitlement date

and distribution date. The shareholders registered in the shareholders' register at the end of the specified entitlement day shall be entitled to receive dividends.

#### **Article 48: Distribution of Dividends to Preferred Shares:**

- 1- If no dividends are distributed for any financial year, then no dividends may be distributed for the following years except after paying the percentage payable to holders of preferred shares for that year in accordance with the Article 114 of the Companies Law.
- 2- If the Company fails to pay the percentage specified in accordance with the provisions of Article (114) of the Companies Law for three consecutive years, the assembly of the holders of these shares held in accordance with the provisions of Article (89) of the Companies Law may decide either that they attend the Company's general assembly meetings and participate in voting thereat, or that representatives to the Board of Directors be appointed in proportion to the value of their shares in the capital, until the Company becomes able to pay all priority dividends allocated to the holders of these shares for the previous years.

#### **Article 49: Company losses**

- 1- If a joint stock company's losses total half of its paid-up capital at any time during the financial year, any of the Company's officers or the auditors must, upon becoming aware of such losses, inform the Chairman, who in turn shall immediately inform the Board members of the same. The Board shall, within 15 days of its knowledge thereof, call for an Extraordinary General Assembly to convene within 45 days from the date on which the Chairman was informed of the losses. Such meeting shall be held to consider whether the Company's capital is to be increased or decreased in accordance with the provisions of the Companies Law to the extent that the losses become less than half of the Company's paid-up capital, or to wind up the Company before the end of its term as stated in this Bylaw.
- 2- The Company shall be deemed terminated by force of law if the General Assembly is not convened during the period specified in the paragraph (1) of this Article, or if the General Assembly is convened but fails to issue a resolution on the matter, or if the General Assembly decides to increase the capital in accordance with the conditions specified in this Article but the capital increase is not fully subscribed for within 90 days from the date on which the General Assembly adopted the resolution to increase the capital.

### **Chapter Eight: Disputes**

#### **Article 50: Liability Claim**

Each shareholder shall have the right to file a liability action for the Company against members of the Board if they have committed an error that caused damage to the said shareholder, provided that the Company's right to file such action is still valid. The shareholder shall notify the Company of their intention to file such action.

### **Chapter Nine: Dissolution and liquidation of the company**

#### **Article 51: Termination of the Company:**

Upon expiration, the Company shall enter into liquidation phase and shall retain its legal corporate status to the extent necessary for liquidation. The voluntary liquidation decision shall be issued by the Extraordinary General Assembly. The liquidation decision must include the appointment of the liquidator, their powers and fees, restrictions on their powers, and the period required for liquidation. The period of voluntary liquidation shall not exceed five years and may be extended only by a judicial order. The powers of the Board of Directors shall cease upon the Company's dissolution. However, the Board of Directors shall remain responsible for the

management of the Company and shall be deemed liquidators before third parties until a liquidator is appointed. The General Assemblies shall continue throughout the duration of the liquidation process, but their role shall be limited to exercising their competencies as far as they do not conflict with those of the liquidator

## Chapter Ten: Final Provisions

### Article 52:

The Companies Law and its regulations shall be applied in all matters not provided for in this bylaw.

### Article 53:

This bylaw shall be deposited and published in accordance with the Companies Law and its regulations.