

Bylaws of United International Transportation Company (A Listed Saudi Joint Stock Company)

(Part 1)

Article (1): Transformation:

In accordance with the provisions of the Companies Law, its Regulations, and these Bylaws, United International Transportation Company- registered in Jeddah under Commercial Registration No. (4030017038) dated 16/01/1399H., shall be transformed from a Limited Liability Company into a Saudi Joint Stock Company as per the following:

Article (2): Company's Name:

The Name of the Company is United International Transportation Company (a Listed Joint Stock Company).

Article (3): Company's Objectives:

The Company shall carry out and execute the following objectives:

- 1- Importing cars and their spare parts with the intention of trading in them by buying and selling and renting them in any way to individuals, companies, government or private entities.
- 2- Commercial representation for national and foreign companies according to the Commercial Agency Law.
- 3- Operation and maintenance; the Company may carry out the maintenance work in accordance with its stated objectives or in order to help achieve its stated objectives within the limits of the Bylaws.

The Company shall practice its activities in accordance with the laws in force and after obtaining the necessary licenses, if any, from the competent authorities.

Article: (4) : Participation with an Ownership of Companies:

The Company may solely establish companies (limited liability or closed joint stock), provided that the stock capital shall not be less than (5) million riyals. The Company may also own stocks and stocks in other existing companies or merge therewith. The Company may participate with others in establishing joint stock or limited liability companies after fulfilling the requirements of the applicable laws and guidelines in this regard. The Company may further

dispose of such stocks or stocks, provided that this shall not include acting as a mediator in the negotiation thereof.

Article (5): Company's Head Office:

The Company's head office shall be in the city of Jeddah, Kingdom of Saudi Arabia. However, the Company may establish branches, offices, or agencies for the Company within or outside the Kingdom of Saudi Arabia by a resolution from the Board of Directors.

Article (6): Company's Duration:

The Company's duration shall be for a period of Ninety-Nine (99) years, commencing as of the date of issue of the Minister of Commerce and Industry's Resolution announcing the transformation of the Company. The Company's duration may always be extended under a resolution to be adopted by the Extraordinary General Assembly at least one (1) year prior to the expiry of its term.

(Part 2)

Capital & Stocks

Article (7): Capital:

The Company's capital is fixed at a sum of Seven Hundred Eleven Million Six Hundred Sixty-Six Thousand Six Hundred Eighty Saudi Riyals (SR. 711,666,680), divided into Seventy-One Million One Hundred Sixty-Six Thousand Six Hundred Sixty-Eight (71,166,668) nominal stocks of equal value, valued at Ten Saudi Riyals (SR. 10) each. All the stocks are ordinary and cash stocks.

Article (8): Subscription for Stocks:

The Stockholders subscribed for all the Company's stocks and paid up in full the value thereof.

Article (9): Sale of Stocks with Unpaid Full Value:

Each Stockholder shall pay the value of their stocks at times set therefor. Should any Stockholder fail to pay on the due date, then after notifying him by virtue of a registered letter, the Board of Directors may sell such stock in a public auction or in the Securities Market, as the case may be, in accordance with the guidelines set by the competent authority. The

Company shall collect, from the sale proceeds, the amounts payable thereto and shall repay the balance to the concerned Stockholder. If the sale proceeds are insufficient to satisfy such amounts, then the Company may collect the entire balance from the Stockholder. However, such Stockholder failing to pay, may up to the day of sale, pay the due value in addition to the expenses incurred by the Company in that regard. The Company shall cancel the stock so sold in accordance with the provision of this Article. The Company shall give the purchaser a new stock bearing the number of the canceled stock. Annotation shall be made in the Register of Stocks stating the sale and the name of the new owner.

Article (10): Issuance of stocks:

Stocks shall be nominal and may not be issued at a value lower than the nominal value thereof but they may be issued at a value higher than their nominal value. In such latter case, the value difference shall be added under a separate item within the Stockholder's rights. However, such difference may not be distributed as profit to the Stockholders. A stock shall be indivisible as against the Company, and in case a stock is owned by a number of persons, then they shall select one of them to act on their behalf in exercising the rights attached to such stock. Such persons shall be jointly liable for the obligations arising from holding such stock.

Article (11): Trading of Stocks:

Stocks subscribed by the Incorporators may not be traded until after the issuance of financial statements for two consecutive fiscal years, each composed of no less than twelve months, as of the date of the Minister of Commerce and Industry's resolution announcing the transformation of the Company or the approval of the Capital Markets Authority. A notation shall be made on such instruments stating the type of stocks, the date of the Company's transformation and the period for which the stocks may not be traded.

However, during the prohibition period, stocks may be transferred in accordance with the provisions relating to the sale of equities by one Stockholder to another, or by the heirs of a Stockholder, in case of his death, to others, or in case of execution against the properties of an insolvent or bankrupt Stockholder, provided that priority of owning such stocks shall be reserved for the other Stockholders.

The provisions of this Article shall apply to the stocks subscribed for by the Stockholders in case of increasing the capital prior to the expiry of the prohibition period.

Article (12): Register of Stockholders:

The Company's stocks are traded in accordance with the provisions of the Capital Market Law.

Article (13): The Purchase, Sale and Pledging by the Company of Its Stocks:

The Company may buy, pledge or sell its ordinary stocks in accordance with the regulations set by the competent authority, and the Company may purchase its stocks with the aim of allocating them to the company's employees within the employee's stocks program in accordance with the conditions and guidelines specified by the regulations and the competent authorities.

Article (14): Increase of Capital:

- 1- The Extraordinary General Assembly may decide to increase the Company's capital, provided that the capital shall have been already paid in full. It cannot be required that the capital be paid in full if the unpaid portion of the capital is attributed to stocks issued for the conversion of debt instrument or financing deeds into stocks and the period set for the conversion in to stocks has not expired yet.
- 2- The Extraordinary General Assembly may, in all cases, allocate the stocks issued for the increase of capital, or a part thereof, to the employees of the Company and its affiliates or some thereof, or any of them. Stockholders may not exercise their preemptive rights when the Company issues stocks to be allocated to the employees.
- 3- The holder of stock, at the time of issue of the Resolution of the Extraordinary Assembly approving the increase of capital, shall have a preemptive right to subscribe for the new stocks to be issued against cash. Such Stockholders shall be informed of the preemptive rights vested in them by way of publication in a daily newspaper or by sending them a notice by registered mail regarding the capital increase resolution and the subscription, term, date of commencement and date of expiry.
- 4- The Extraordinary General Assembly shall have the right to suspend applying the preemptive rights of Stockholders to subscribe for the capital increase for cash stocks, or may grant priority to non-Stockholders in case it deems the foregoing as serving the interest of the Company.
- 5- A Stockholder may sell or assign the preemptive right vested in him during the period from the time of issue of the General Assembly's Resolution approving the increase of the capital until the last day of subscription for the new stocks in relation to such rights, in accordance with the guidelines set by the competent authority.

- 6- With due consideration to the provision of paragraph (4) above, the new stocks shall be allocated to those entitled to preemptive rights who requested subscription, each in proportion to the preemptive right vested in them to the total preemptive rights resulting from the capital increase, provided that the portion they obtain shall not exceed what they have requested of the new stocks. The remaining part of new stocks shall be allocated to the holders of preemptive rights who requested more than their respective stocks, each in proportion to his preemptive right to the total preemptive rights resulting from the capital increase, provided that what they obtain shall not exceed what they have requested of the new stocks. The remaining stocks shall be offered to others unless the Extraordinary General Assembly resolves otherwise or the Capital Market Law provides otherwise.

Article (15): Reduction of Capital:

The Extraordinary General Assembly may resolve to reduce the capital if it exceeds the Company's need or if the Company incurs losses. Only in such latter case may the capital be reduced so as to become lower than the minimum provided for under Article (54) of the Companies Law. The reduction resolution shall be passed only after reciting a special report prepared by the auditors on the reasons calling for such reduction, the obligations to be paid by the Company, and the effect of such reduction on such obligations. In case the capital reduction is due to the capital being in excess of the Company's needs, then the creditors shall be invited to express their objections to such reduction within a period of sixty (60) days as of the date of publication of the reduction resolution in a daily newspaper circulated in the area where the Company's head office is located. If any creditor objects and submits his documents to the Company within the time set above, then the Company shall pay him his debt if it is already due or shall provide him with a sufficient guarantee for payment if it is to fall due in the future.

Article (16): Debt Instruments and Financing Deeds:

The Company takes into account the Sharia provisions of debt when issuing and trading debt instruments.

The Company may issue debt instruments or tradable financing deeds according to the Capital Market Law.

It is not permissible for the Company to issue debt instruments or financing deeds convertible into stocks except after the issuance of a resolution by the Extraordinary General Assembly specifying the maximum number of stocks that may be issued in exchange for those

instruments or deeds, whether those instruments or deeds are issued at the same time or through a series of issuances or through one or more programs to issue debt instruments or financing instruments. The Board of Directors shall issue - without the need for new approval from this Assembly - new stocks in exchange for those instruments or deeds whose holders request their conversion upon the expiry of the transfer request period specified for the holders of those instruments or deeds. The Board shall take the necessary measures to amend the Company's Bylaws with regard to the number of issued stocks and the capital.

The Board of Directors must announce the completion of the procedures for each increase in the capital in the manner specified in the law for the publication of the resolutions of the Extraordinary General Assembly.

The Company may convert debt instruments or financing deeds into stocks in accordance with the Capital Market Law. In all cases, it is not permissible to convert these instruments and deeds into stocks in the following two cases:

- 1- If the conditions for issuing debt instruments and financing deeds do not include the possibility of converting these instruments and deeds into stocks by raising the company's capital.
- 2- If the holder of the debt instrument or the financing deed does not agree to this transfer.

Any interested party may request the competent judicial authority to nullify the behavior that was carried out in violation of the provisions of this Article in addition to compensating the holders of debt instruments or financing deeds for the damage they suffered.

The resolutions of the Stockholders' Assemblies shall apply to the owners of debt instruments and financing deeds. Nevertheless, the aforementioned associations are not permitted to amend the rights established for them except with approval issued by them in a private assembly held in accordance with the provisions of Article (Eighty-Nine) of the Companies Law.

(Part 3)

Board of Directors

Article (17): Company's Management:

The Company shall be managed by a Board of Directors consisting of eight (8) members to be appointed by the Ordinary General Assembly for a period not exceeding three (3) years. The term of office of the first Board shall commence as of the date of the Ministerial Resolution approving the conversion of the Company into a public joint stock company.

Article (18): Expiry of the Board Membership:

Membership of the Board shall end upon the expiry of the term thereof or if a member is no longer competent for such membership in accordance with any law or instructions in force in the Kingdom. However, the Ordinary General Assembly may, at all times, remove all members of the Board of Directors, or some of them without prejudice to the removed member's right against the Company to claim compensation if such removal occurs for no acceptable cause or at an inconvenient time. A member of the Board of Directors may also resign, provided this shall be at an appropriate time, otherwise such member shall be held liable before the Company for any damage resulting from such resignation.

Article (19): Vacancy in the Board:

If the position of a member of the Board of Directors becomes vacant, then the Board may appoint a temporary member in such vacant position, according to the order of votes obtained at the Assembly which elected the Board, provided that such temporary member shall be efficient and in possession of the necessary experience. The Saudi Ministry of Commerce and Capital Market Authority shall be notified of such appointment within five (5) working days as of the date of appointment. Such appointment shall be brought before the first Ordinary General Assembly in its first following meeting. The new member shall complete the term of his predecessor. If the necessary condition for convening the Board of Directors cannot be satisfied due to the shortage of the members below the minimum provided for under the Companies Law or these Bylaws, then the remaining members shall call for convening an Ordinary General Assembly within a period of Sixty (60) days in order to elect the necessary number of members.

Article (20): Powers of the Board of Directors:

With due consideration to the powers reserved for the General Assembly, the Board of Directors shall have the widest authorities in managing the Company so as to realize its objectives inside and outside the Kingdom, and it may, for example, but not limited to,

represent the Company in its relations with others, government and private agencies, police and passports departments, municipalities, chambers of commerce and industry, private bodies, companies and institutions of all kinds, other government agencies, banks, commercial banks, development funds and all funds and governmental financing institutions of various names and its specializations and financial institutions of all kinds and entering into tenders. The Board also has the right to sign all types of contracts, records and documents, including without limitation, company Articles of Association in which the company participates along with all amendments of company Articles of Association in which the company is a partner in, amendment resolutions and official bodies, as well as agreements of loans, guarantees, and assignment of priority in the payment of the company's debts, leasing, renting, arresting, paying, opening accounts and credits, withdrawing and depositing with banks, issuing bank guarantees, signing all papers, documents, checks, and all banking transactions. It also has the right to appoint and dismiss employees and workers, request visas, bring in manpower from outside the Kingdom, contract with them, determine their salaries, extract residency permits, transfer guarantees and waive them. The Board, within the limits of its competence, may delegate one or more of its members or others to carry out some of its work.

However, with regard to the sale of the company's real estate, the minutes of the Board of Directors and the reasons for its resolution to dispose must include the observance of the following conditions:

- 1- The Board shall state in the sale resolution the relevant reasons and justifications.
- 2- The sale price shall be close to the price of similar items.
- 3- The sale shall be a spot sale except in cases of necessity and against sufficient guarantees.

The Board of Directors may also contract loans with funds and government financing institutions, regardless of their period, and it may contract commercial loans whose period exceeds three years and the term of which does not exceed the end of the term of the Company, taking into account the following conditions for contracting loans whose terms exceed three years:

- 1- The Board shall specify in its resolution the ways in which such loans shall be used for.
- 2- The Board shall observe, in the conditions of the loan and the guarantees given therefore, causing no damage to the Company or its Stockholders and the creditors' general guarantees.

It shall also be entitled, within the limits of its competence, to delegate one or more of its members or from a third party to conduct a specific work or certain works.

b) The Board of Directors, and in the cases it assesses, shall have the right to absolve the debtors of the Company from their obligations in accordance with what is in its interest, provided that the minutes of the Board of Directors and the reasons for its resolution shall be included, the following conditions:

- 1- The release shall be at least one year after the debt arose.
- 2- That the release shall be for a specified maximum amount per year for one debtor.
- 3- Discharge is a right of the Board and cannot be delegated.

The Board of Directors may deal on behalf of the Company with the financial companies in opening, activating and closing investment accounts, withdrawing and depositing in the investment accounts, and selling and buying shares or transferring and subscribing, as well as signing a special portfolio agreement, whether it is shares or cash, and buying and selling local and foreign bonds and instruments, and subscribing and redeeming in funds. The investment portfolio, as well as the management of the company's investment portfolios, whether by phone, fax, written orders, or electronic services. The Board has the right to delegate all or some of the powers of this paragraph to others by virtue of a written notice and to sign on behalf of all that is required to be signed.

Article (21): Remuneration of the Board Members:

The remuneration of the Board of Directors consists of an additional annual bonus to an attendance allowance for the sessions of the Board. The remuneration of the Board of Directors shall not exceed ten percent (10%) of the net profits after distributing the percentages mentioned in Article (46) up to a maximum of (SR. 500,000) five hundred thousand Saudi Riyals for each member, provided that the entitlement to this remuneration is proportional to the number of sessions attended by the member. The management report submitted to the Ordinary General Assembly shall include a comprehensive statement of all the salaries, stock of profits, attendance allowance, expenses and any other benefits received by the Board members. Such report shall also include a statement of the sums paid to the Board members in their capacity as employees or officials or for technical, administrative, or consultative activities previously approved by the Company's General Assembly.

Article (22): Powers of Chairman of the Board of Directors, Vice Chairman, Managing Director, Chief Executive Officer and Secretary:

The Board of Director shall appoint a Chairman and Vice Chairman and may appoint from amongst its members a Managing Director. It is not permissible to combine the position of Chairman of the Board of Directors with any executive position in the Company. The vice-Chairman of the Board of Directors replaces the Chairman of the Board when he is absent. The Chairman of the Board and the Managing Director shall (if appointed), collectively and individually, have the right to represent the Company before third parties, governmental and private departments, all the ministries, the Emirates, the Department of Zakat and Income, the General Authority for Investment, the Ministry of Commerce and Investment, the Capital Market Authority, civil rights, police departments, public prosecution, chambers of commerce and industry, private bodies, companies and institutions of all kinds, and enter into tenders on behalf of the Company, arrest, pay, acknowledge and claim. They also have the right to sign all kinds of contracts, records and documents, including, without limitation, agency contracts, concessions and other contracts, transactions, deals and obligations, registration of agencies, trademarks, Articles of Association of companies in which the company participates in, its amendments and annexes, and to contribute to other companies, whatever their types are, and to sign agreements, instruments, voids, and extract replacement of the lost deeds before notaries and official authorities, as well as agreements of loans, guarantees, mortgage, release and issuance of legal agencies on behalf of the company, following up on transactions, collecting the rights of the company, paying its obligations, selling, buying, emptying, accepting, receiving, delivering, renting, leasing, arresting, paying, opening bank and investment accounts, credits, withdrawing, depositing and closing bank accounts and investment with banks, issuing bank guarantees, signing documents, checks, bills of exchange, mortgages, issuing promissory note and other commercial papers, carrying out all business and dispositions, and everything that would conduct the company's affairs and achieve its objectives and all that the Board of Directors entrusts with, and they have the right to appoint employees and workers, dismissing them, contracting with them and determining their salaries, and they have the right to appoint agents, lawyers and regular representatives of the company from among the employees of the company or from others under Powers of Attorney and granting them the right to sign for the company within the limits of the Powers of Attorney granted to them.

It is also permissible for either of them to delegate one or more persons, whether from the company's employees or from others whom they see fit, under an official authorization to carry out any of their powers or any of the functions mentioned in this clause. The Chairman of the Board of Directors is also responsible for inviting the Board to convene, presiding over the Board sessions, approving the decisions of the Board and the extracts taken from these decisions, and determining the agenda of the meetings, taking into account the position that the members of the Board or the CEO suggest including. It is also responsible for effectively managing the Board's meetings and encouraging all members to actively participate in achieving the planned goals. It is concerned with presiding over the General Assemblies and has the right to delegate these functions to his deputy or others.

The Chairman of the Board of Directors represents the Company before Sharia courts, judicial bodies, the Board of Grievances, notaries, labor and workers offices, supreme and primary committees, commercial papers committees, the committee for adjudication of securities disputes and all other judicial committees and arbitration bodies and is concerned with the work of defence, pleading, litigation and conciliation, accepting judgments, objecting to them, attending sessions, hearing statements and witnesses and their response, admission, denial, reconciliation, release, appeal, review of execution of judgments, appointment of experts, arbitrators, and lawyers, and their dismissal inside and outside the Kingdom.

The Chairman of the Board of Directors may delegate one of the board members, the Chief Executive officer, the company's employees, or others in all or some of the above, according to legitimate Powers of Attorney or written official authorizations, and grant his agents the power to delegate others within the limits of their powers granted to them under the Power of Attorney or delegates, and he may partially or completely cancel the authorization or Power of Attorney.

The Board of Directors shall determine, by a decision issued by it, based on the recommendation of the Remuneration and Nominations Committee, the remuneration that each of the Chairman and Managing Director shall receive in the event of his appointment, in addition to the remuneration determined for the members of the Board of Directors.

The Vice-Chairman of the Board of Directors shall have the right to represent the Company before third parties, governmental and private departments, all the ministries, the Emirates, the

Department of Zakat and Income, the General Authority for Investment, the Ministry of Commerce and Investment, the Capital Market Authority, civil rights, police departments, public prosecution, chambers of commerce and industry, private bodies, companies and institutions of all kinds, and enter into tenders on behalf of the Company, arrest, pay, acknowledge and claim. He also has the right to sign all kinds of contracts, records and documents, including, without limitation, agency contracts, concessions and other contracts, transactions, deals and obligations, registration of agencies, trademarks, Articles of Association of companies in which the company participates in, its amendments and annexes, and to contribute to other companies, whatever their types are, and to sign agreements, instruments, voids, and extract replacement of the lost deeds before notaries and official authorities, as well as issuing Powers of Attorney on behalf of the company and following up on transactions, collecting the rights of the company, paying its obligations, selling, buying, emptying, accepting, receiving, delivering, renting, leasing, arresting, paying, carrying out all business and dispositions, and everything that would be necessary to conduct the company's affairs and achieve its objectives and all that the Board of Directors entrusts him with, and he may appoint employees and workers, dismissing them, contracting with them and determining their salaries, and they have the right to appoint agents, lawyers and legal representatives of the company from among the employees of the company or from others under Powers of Attorney and granting them the right to sign for the company within the limits of the Powers of Attorney granted to them.

It is also permissible for him to delegate one or more persons, whether from the company's employees or from others whom he sees fit, under an official authorization to carry out any of his powers or any of the functions mentioned in this clause.

The Vice-Chairman of the Board of Directors is also responsible (in the absence of the Chairman of the Board) for inviting the Board to convene, presiding over the Board sessions, approving the decisions of the Board and the extracts taken from these decisions, and determining the agenda of the meetings, taking into account the subjects that the members of the Board or the CEO suggest including. It is also responsible for effectively managing the Board's meetings and encouraging all members to actively participate in achieving the planned goals. He is also responsible with presiding over the General Assemblies and has the right to delegate these functions to his deputy or others.

The Vice-Chairman of the Board of Directors shall in the absence of the president, represent the Company before Sharia courts, judicial bodies, the Board of Grievances, notaries, labor and workers offices, supreme and primary committees, commercial papers committees, the committee for adjudication of securities disputes and all other judicial committees and arbitration bodies and is concerned with the work of defence, pleading, litigation and conciliation, accepting judgments, objecting to them, attending sessions, hearing statements and witnesses and their response, admission, denial, reconciliation, release, appeal, review of execution of judgments, appointment of experts, arbitrators, and lawyers, and their dismissal inside and outside the Kingdom.

The Vice-Chairman of the Board of Directors may delegate one of the board members, the Chief Executive Officer, the company's employees, or others in all or some of the above, according to legitimate Powers of Attorney or written official authorizations, and grant his agents the power to delegate others within the limits of their powers granted to them under the Power of Attorney or delegates, and he may partially or completely cancel the authorization or Power of Attorney.

The Board of Directors also appoints the Chief Executive Officer for the Company, who is responsible for implementing the policy determined by the Board of Directors and Stockholders' Assemblies, and taking the decisions required by the company, conducting its business and achieving its objectives, in addition to other competencies and other powers that are specified for him by the Board of Directors or those specified in this Bylaw.

The Chief Executive Officer shall have the right to sign all kinds of contracts, records and documents, including, without limitation, Articles of Association of companies in which the company participates in, its amendments and annexes, and deeds and releases before the Notaries and competent authorities. To sign on agreements, deeds, releases and extracting replacement of the lost deeds before notaries and official authorities, as well as agreements of investments, loans, guarantees, purchase and sale agreements, releasing lands, accepting, paying amounts, receipt of amounts, signing on lease and rent contracts, agencies contracts and franchising contracts and other contracts and agreements and transactions and deals and obligations, entering into tenders and bids on behalf of the company, registration of agencies and commercial transactions, opening and operating bank and investment accounts, issuing cheques and facilities, withdrawing, depositing and issuing bank guarantees and mortgages,

issuing promissory note and other commercial papers, carrying out all business and dispositions, and everything that would conduct the company's affairs and achieve its objectives as well as all that is entrusted to him by the Board.

He also has the right to represent the Company before third parties, governmental and private departments, all the ministries, the Emirates, the Department of Zakat and Income, the General Authority for Investment, the Ministry of Commerce and Investment, the Capital Market Authority, civil rights, chambers of commerce and industry, banks and financial institutions, companies of all kinds. He may also appoint and dismiss employees and workers, contract with them and determine their salaries, and he may authorize or delegate whomever he deems appropriate to carry out all, part or any of these specializations.

The CEO's remuneration shall be in accordance with what is decided by the Board of Directors upon the recommendation of the Remuneration and Nominations Committee.

The Board of Directors shall appoint a secretary whom it chooses from among its members or from others, and is responsible for recording minutes of board meetings and recording and preserving the decisions issued by these meetings in addition to exercising other functions entrusted to him by the Board of Directors. The Board determines his remuneration based on the recommendation of the Remuneration and Nominations Committee.

The term of the Chairman, his deputy, the managing director, and the secretary of the Board of Directors shall not exceed the period of membership of each of them in the Board, and they may be reappointed. The Board may dismiss them or any of them at any time without prejudice to the right of the dismissed person to compensation if the dismissal took place for an unlawful reason or at an inappropriate time.

Article (23): Board Meetings:

The Board of Directors shall hold meetings (at least twice a year) under a call by its Chairman. The call shall be made in writing or sent by mail, fax or e-mail. The Chairman of the Board shall call the board for a meeting whenever he is so requested by two (2) members of the Board.

Article (24): Quorum for Board Meetings:

A Board meeting shall be deemed validly convened only if attended by at least four (4) members, provided that the number of actual attendees is not less than three (3) members, provided that they include the Chairman of the Board or the Vice-Chairman of the Board or whomever the Chairman delegates in their absence. In case a Board member gives a proxy to another member to attend a Board meeting, then such proxy shall be given in accordance with the following controls:

- 1- A Board member may not represent more than one member in attending the same meeting.
- 2- The proxy shall be made in writing and for a certain meeting.
- 3- A member acting by proxy may not vote on resolutions which are prohibited under the regulations to be voted on by proxy.

The resolutions of the Board are issued by the majority of the votes of the members of the Board present or represented at the meeting and when the votes are equal, the vote of the Chairman or whoever he delegates in his absence is casting.

The Board of Directors may issue resolutions on urgent matters by presenting them to the members dispersed, unless one of the members requests - in writing - the Board meeting to discuss it. These decisions are presented to the Chairman in its first subsequent meeting.

Article (25): Board Deliberations:

Deliberations and resolutions of the Board of Directors shall be established in minutes to be signed by the Chairman, members of the Board of Directors present at the meeting and the Secretary. Such minutes shall be drawn in a special register to be signed by the Chairman of the Board of Directors and the Secretary.

(Part 4)
Stockholders Assembly

Article (26): Attendance at Assemblies:

Every subscriber, regardless of the number of his stocks, shall have the right to attend the General Assembly for transformation. Each Stockholder shall have the right to attend meetings of the Assembly and shall have the right as well to give proxy to any other person, other than members of the Board of Directors or officers of the Company, to attend meetings of the General Assembly, provided that the value of stocks issued to one person by more than a proxy does not exceed 5% of the company's capital, unless the proxy is issued by one Stockholder and members of his family.

Article (27): General Assembly for the Transformation:

The General Assembly for transformation shall be concerned with the following matters:

- 1- Verification of each subscription capital.
- 2- Approval of the final texts of the Company's Bylaw, stating that it is not permissible to make substantial amendments to the presented Bylaw except with the approval of all the Stockholders represented therein.
- 3- Approval of appointing an auditor for the Company's accounts for the fiscal year when transforming to a joint stock company.
- 4- Approval of transformation expenditures.
- 5- Consider certifying the value of in-kind stocks (if any).

For its validity to be convened, the attendance of a number of Stockholders representing at least half of the capital, and each Stockholder in its meetings has a vote for each stock subscribed to or represented.

Article (28): Powers of the Ordinary General Assembly:

Except for the matters reserved for the Extraordinary General Assembly, the Ordinary General Assembly shall have the power to handle all the matters of the Company and shall be held at least once every year within the six (6) months following the end of the Company's fiscal year. The other meetings of the Ordinary General Assembly may be called upon whenever the needs for the same are required.

Article (29): Powers of the Extraordinary General Assembly:

The Extraordinary General Assembly shall have the power to amend the Company's Bylaws except for the provisions which are prohibited to be amended under the law. Furthermore, the Extraordinary General Assembly may pass resolutions on matters falling within the competence of the Ordinary General Assembly under the same conditions and circumstances governing the acts of the latter Assembly.

Article (30): Calling for Meetings of the Assemblies:

- 1- Meetings of the Stockholders General Assembly shall be convened upon a call by the Board of Directors. The Board shall call for a meeting of the General Assembly if so requested by the auditor or a number of Stockholders representing at least five percent (5%) of the Company's capital. The auditor may call the Assembly to convene if the Board does not invite the Assembly within thirty days from the date of the auditor's request.
- 2- A resolution by the competent authority may call the Ordinary General Assembly for meeting in the following cases:
 - a- If the period specified for the meeting stipulated in Article (Eighty-Seven) of the Companies Law has passed.
 - b- If the number of members of the Board of Directors falls below the minimum validity of its meeting, considering the provisions of Article (Sixty-Nine) of the Companies Law.
 - c- If it appears that there are violations of the provisions of the law or the Company's Bylaw, or a defect has occurred in the Company's management.
 - d- If the Board does not call the General Assembly to convene within fifteen days from the date of the request of the auditor or the review committee, or a number of Stockholders represents at least (5%) of the capital.
- 3- A number of Stockholders representing (2%) of the capital at least may submit a request to the competent authority to call the General Assembly to convene if any of the cases stipulated in Paragraph (2) of this Article are available. The competent authority shall direct the call to convene within thirty days from the date of submitting the Stockholders' request, provided that the call includes a schedule of the Assembly's work and the clauses required to be approved by the Stockholders.

The call for convening the General Assembly shall be published in the Official Gazette and a daily newspaper circulated in the city where the Company's head office is located at least twenty-one (21) days prior to the time set for the meeting. However, if all the stocks are nominal stocks, it is permissible to deem it sufficient to send the call at such time by registered mail. The call shall include the agenda and a copy of the call and the agenda shall be sent to the Ministry and Authority within the period set for publication.

Article (31): Register of Attending the Assemblies:

Stockholders desiring to attend meetings of the General or Special Assembly shall have their names recorded at the Company's head office prior to the time set for holding the Assembly.

Article (32): Quorum for a Meeting of the Ordinary General Assembly:

A meeting of the Ordinary General Assembly shall be deemed validly convened only if attended by Stockholders representing at least a quarter of the capital. If such quorum cannot be attained at the first meeting, then a second meeting shall be held after the lapse of one hour as of the time set for the first meeting, provided there shall be stated in the invitation for the first meeting that a second meeting shall be so held. In all cases, the second meeting shall be valid, regardless of the number of stocks represented thereat.

Article (33): Quorum for a Meeting of the Extraordinary General Assembly:

A meeting of the Extraordinary General Assembly shall be deemed validly convened if attended by Stockholders representing at least a half of the capital. If such quorum cannot be attained in the first meeting, then a second meeting shall be held after the lapse of one hour as of the time set for holding the first meeting, provided that the call for the first meeting shall state that such second meeting shall be so held. In all cases, the second meeting shall be deemed valid if attended by a number of Stockholders representing at least a quarter of the capital. If the necessary quorum cannot be attained at the second meeting, then an invitation shall be given for a third meeting, to be held under the same controls provided for under Article (30) of these Bylaws, and such third meeting shall be deemed validly convened, regardless of the number of the stocks represented thereat, after getting the approval of the competent authority.

Article (34): Voting at Assemblies:

Each Stockholder shall be entitled to one (1) vote for each stock he represents at the General Assembly for transformation. Votes at meetings of the Ordinary and Extraordinary General Assembly shall be counted based on (1) vote for each stock. However, it is not permissible for the members of the Board of Directors to participate in voting on the resolutions of the Ordinary or Extraordinary General Assembly that relate to absolving them of their responsibilities for the period they spent in the administration or for the works in which they have an interest and require permission for its continuation by the General Assembly that is related to a direct or indirect interest to them.

The cumulative vote must be used in the election of the Board of Directors.

Article (35): Resolutions of Assemblies:

Resolutions of the General Assembly for transformation shall be adopted with the absolute majority of the stocks represented thereat.

Resolutions of the Ordinary General Assembly shall be adopted with the absolute majority of the stocks represented at the meeting and resolutions of the Extraordinary General Assembly shall be adopted with the majority of two-thirds of the stocks represented at the meeting unless the resolution relates to increasing or reducing the Company's capital, extending the Company's duration, dissolving the Company prior to the expiry of the period fixed therefor under these Bylaws or merging the Company with another company or corporation, in which case such resolution shall be valid only if adopted with a majority of Stockholders forming three-quarters of the stocks represented at the meeting.

Article (36): Deliberation at Assemblies:

Each Stockholder shall have the right to discuss the matters listed on the agenda of the Assembly and to address questions in connection therewith to the members of the Board of Directors and the auditor. The Board of Directors or the auditor shall answer the Stockholders' questions to the extent not exposing the Company's interest to any damage. If a Stockholders deems an answer to his question insufficient, then he shall bring the issue before the Assembly, and the Assembly's decision in that regard shall be final and binding.

Article (37): Presiding Over Assemblies and Preparation of Minutes:

Meetings of the Stockholders General Assembly shall be presided over by the Chairman of the Board of Directors, or the Vice Chairman in case of his absence, or by whomever is delegated

by the Board of Directors from amongst its members, in case of absence of both the Chairman and Vice Chairman of the Board of Directors.

Minutes shall be drawn of the Assembly's meeting which minutes shall include the number of the attending Stockholders or representatives, the number of stocks held by each, in person or by proxy, the number of votes attached thereto, the resolutions adopted and the number of votes consenting or dissenting and a comprehensive summary of the discussions taken place at the meeting. Minutes shall be regularly recorded after each meeting in a special register to be signed by the Chairman of the Assembly, the Secretary and the votes collector.

(Part 5)

The Audit Committee

Article (38): Formation of the Committee:

Under a resolution by the Ordinary General Assembly, there shall be formed Audit Committee composed of three (3 to 5) members, to be selected from amongst persons other than the executive members of the Board of Directors, whether from amongst the Stockholders or others. Such resolution shall state the duties of the Committee, controls of its activities and compensation of its members.

Article (39): Quorum for Meetings of the Committee:

Meetings of the Audit Committee shall be valid only if attended by a majority of its members. The Committee shall issue its resolutions with the majority vote of the attending members. In case of a tie, the Chairman of the Committee shall have a casting vote.

Article (40): Powers of the Committee:

The Audit Committee shall be in charge of supervising the Company's activities. For that purpose, it shall have access to the Company's registers and documents, and may require any clarifications and statements from the members of the Board of Directors or executive management. The Committee may request the Board of Directors to call for a meeting of the Company's General Assembly if the Board of Directors obstructs its activities or if the Company incurs gross damages or substantial losses.

Article (41): The Committee's Reports:

The Audit Committee shall consider the Company's financial statements, reports and notes expressed by the auditor. The Committee shall express its views in that regard, if any. The Committee shall prepare a report on its opinion as to how far the Company's internal control system is sufficient and the other activities it carried out within the scope of its powers. The Board of Directors shall lodge sufficient copies of such report at the Company's head office at least (21) days prior to the convening of the meeting of the General Assembly in order to provide any desirous Stockholder with a copy thereof. Such report shall be recited during the meeting of the Assembly.

(Part 6)

The Auditor

Article (42): Appointment of the Auditor:

The Company shall have one (or more) auditors, from amongst those licensed to practice in the Kingdom, to be annually appointed by the General Assembly, which shall determine his remuneration and the duration of his work and may re-appoint him, provided that the total period of his appointment does not exceed five continuous years, and whoever has exhausted this period may re-appoint him after two years have passed from the date of its expiration. The Assembly may also change it at any time without prejudice to his right to compensation if such change occurred at an inconvenient time for no lawful cause.

Article (43): Powers of the Auditor:

The auditor shall, at any time, have access to the Company's books, registers and other documents. He may request such statements and clarifications as he deems necessary in order to verify the Company's assets and liabilities as well as for any issue falling within his duties. The Chairman of the Board of Director shall enable the auditor to perform his duties if the auditor faces difficulties in that regard, he shall establish that in a report to be submitted to the Board of Directors. If the board fails to make it easy for the auditor to perform his duties, then the auditor shall require the Board of Directors to call for a meeting of the Ordinary General Assembly in order to consider this issue.

(Part 7)

Company's Accounts and Distribution of Profits

Article (44): Fiscal Year:

The Company's first fiscal year shall commence as on the first of January and ends on the 31st of December of each Gregorian year, provided that the first fiscal year after the transformation shall start from the date of the Ministerial Resolution issued, announcing the transformation of the Company and ends on December 31 of the following year.

Article (45): Financial Documents:

- 1- At the end of each fiscal year, the Board of Directors shall prepare the Company's balance sheet and a report on its activities and financial position for the past fiscal year. This report shall include the proposed method of dividend distribution. The Board shall put such documents at the disposal of auditor at least forty-five (45) days prior to the time set for convening the General Assembly.
- 2- The Company's Chairman of the Board of Directors, Chief Executive Officer and Chief Financial Officer shall sign the documents referred to in paragraph (1) of this Article above. Copies of such documents shall be kept at the Company's head office and put at the disposal of the Stockholders at least (21) days prior to the time set for convening the General Assembly.
- 3- The Chairman of the Board of Directors shall provide the Stockholders with the Company's financial documents, the report of the Board of Directors and the report of the auditor, unless these documents are published in a daily newspaper circulated in the area where the Company's head office is located. The Chairman of Board shall also send copies of such documents to the Ministry and to the Capital Market Authority at least (21) days prior to the time set for convening the General Assembly.
- 4- The Board of Directors - within thirty days from the date of the approval of the General Assembly on the financial statements, the report of the Board of Directors, the report of the auditor and the report of the Audit Committee - must deposit copies of the aforementioned documents with the Ministry of Commerce and Investment and the Capital Market Authority.

Article (46): Distribution of Profits:

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

- 1- Ten percent (10%) of the net profit shall be set aside to constitute a statutory reserve. The Ordinary General Assembly may discontinue such setting aside when the said reserve reaches (30%) of the paid-up capital.
- 2- The Ordinary General Assembly may, upon a proposal by the Board of Directors, set aside (20%) of the net profits to form a contingent reserve and allocate it for a certain purpose.
- 3- The Ordinary General Assembly may decide to form other reserves, to the extent that realizing the Company's interest or ensuring the distribution of fixed profits, to the possible extent, among the Stockholders. The said Assembly may also deduct from the net profit some amounts to establish social institutions for the Company's employees or to assist any such existing institution.
- 4- Out of the remainder, there shall be distributed to the Stockholders as a first payment, at a rate not less than (5%) of the Company's paid-up capital.
- 5- With due consideration to the provisions of Article (21) of these Bylaws, and Article (76) of the Companies Law, after the above there shall be allocated (10%) of the remaining profits as compensation for the Board of Directors at a maximum amount of Five Hundred Thousand Saudi Riyals (SR. 500,000) for each member, provided that such compensation shall be prorated to the number of meetings attended by the member.

Article (47): Entitlement to Profits and Interim profits:

The Stockholder is entitled to his stock of the profits in accordance with the resolution of the General Assembly issued in this regard, and the resolution specifies the date of entitlement and the date of distribution, and the eligibility of the profits shall be for the Stockholders registered in the Stockholders' records at the end of the date determined for maturity. The competent authority shall determine the maximum period during which the Board of Directors must implement the resolution of the General Assembly regarding the distribution of profits to the Stockholders.

According to these Bylaws, the Company may distribute interim profits (quarterly or semi-annually) to its Stockholders in accordance with the guidelines set by the competent authority and after authorizing the Ordinary General Assembly of the Board of Directors according to a resolution to be renewed annually to distribute interim profits.

Article (48): Company's Losses:

- 1- If the losses of the Company reaches a half of its paid capital, at any time of the fiscal year, then any one of the Company's officers in charge, or the auditor, immediately upon being aware of that, should notify the Chairman of the Board of Directors who shall inform forthwith the members of the Board accordingly. Within fifteen (15) days as of being aware of such losses, the Board of Directors shall call for a meeting of Extraordinary General Assembly, within forty-five (45) days as of the date of being aware of such losses, in order to decide either to increase or reduce the Company's capital pursuant to the provisions of the Companies Law, so as to reduce the losses to a level lower than half of the paid capital, or to dissolve the Company prior to the time set therefore under the Companies Law.
- 2- The Company shall be deemed expired by force of the Companies Law if the General Assembly fails to hold a meeting within the period specified under paragraph (1) of this Article, or if it holds the meeting but fails to pass a resolution in that regard, or if it decides to increase the capital according to the provisions prescribed in this Article and the entire capital of the increase cannot be subscribed for within a period of ninety (90) days as of the date of passing the Assembly's resolution for increasing the capital.

(Part 8)

Disputes

Article (49): Liability Claims:

Each Stockholder shall have the right to commence an action for liability, vested in the Company, against the members of the Board of Directors if the error they have committed has caused damage to such Stockholder, provided that the Company's right to start such action is still valid. In such case, the Stockholder shall notify the Company of his intention to start such action.

(Part 9)

Company's Dissolution and Liquidation

Article (50): Company's Liquidation:

Upon its expiration, the Company shall enter into liquidation. The Company shall maintain its corporate legal personality to the extent required for liquidation. The resolution of voluntary liquidation shall be passed by the Extraordinary General Assembly. The liquidation resolution shall include appointing an auditor, specifying his powers, fees and restrictions imposed on his powers as well as the time period necessary for liquidation. The voluntary liquidation period shall not exceed five (5) years, and may not be extended for a longer time except under a judicial order. The powers of the Company's Board of Directors shall cease upon the Company's dissolution. However, those Board members shall remain in charge of managing the Company and shall be deemed, as against others, as liquidators until a liquidator is appointed. Stockholders Assemblies shall remain existent during the liquidation period and its role shall be limited to practicing their powers to the extent not in contradiction with the powers of the liquidator.

(Part 10)

Final Provisions

Article 51:

The Companies Law and its regulations thereof shall apply where there is no relevant provision in these Bylaws.

Article 52:

These Bylaws shall be lodged and published pursuant to the Companies Law and its regulations.

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