

# The Articles of Association of Bank Albilad

A Saudi Joint Stock Company

Approved by Royal Decree and pursuant to Ministerial Resolution No. (2511) dated 09/03/1426H  
and the amendments made thereto (until the year 1445H – 2024G)

## PART I

### COMPANY INCORPORATION

#### ARTICLE 1 - INCORPORATION:

It was established in accordance with the provisions of the Companies Law and its Regulations, the Banking Control Law, and Cabinet Resolution No. 245 dated 26/10/1407H, and under this Articles of Association: A Saudi joint stock company, according to the following:

#### ARTICLE 2 - NAME OF THE COMPANY:

The name of the company is Bank Albilad, a Saudi joint stock company, hereinafter referred to as the "Company".

#### ARTICLE 3 – OBJECTIVES OF THE COMPANY:

The objectives of the company are to exercise banking and investment business in accordance with the provisions of the Banking Control Law and all other laws in force in the Kingdom of Saudi Arabia and the regulations, decisions, rules and instructions issued by the Saudi Central Bank. To achieve this purpose, the company carries out banking and investment operations for its own account or for the account of others, inside and outside the Kingdom, within the limits set and according to the conditions specified by the Saudi Central Bank, including the following operations:

- a-Opening current accounts and accepting demand deposits in Saudi Riyal or other currencies.
- b-Opening investment and similar accounts in Saudi Riyal and other currencies to generate profits through operating such accounts.
- c-Issuing, accepting and dealing in commercial papers, such as promissory notes, bills of exchange and checks as well as accepting dealing in banknotes, coins and all types of currencies.
- d-Providing financing and facilities in Saudi riyals or other currencies on the basis of profit and loss sharing or according to any other basis.

e-Dealing in securities and Mudaraba notes as per the rules that governing corporate share trading. And the company may purchase its shares in accordance with the controls of the competent authorities, following obtaining a prior no-objection from the Saudi Central Bank, and the shares purchased by the company shall not have votes in the shareholders' assemblies.

f-Opening documentary credits, issuing bank guarantees and granting banking facilities for imports, exports and local commerce.

g-Acquiring, selling, owning and dealing in foreign currencies, coins, and precious metals.

h-Receiving cash, documents and valuable items as deposit, loan or for saving purposes after issuing evidential receipts.

i-Opening accounts by the name of the Company with local and foreign banks and other financial institutions.

j-Creating, managing and leasing safe deposit boxes (Vaults).

k-Acting as an agent, correspondent or representative of local and foreign banks.

l-Executing fund transfer to/from Saudi Arabia.

m-Acting as an Agent to collect money, bills of exchange, promissory notes and any other document inside and outside Saudi Arabia.

n-Executing any other banking operation permitted by the laws of the Saudi Central Bank.

o-Establishing, operating and managing depositories and warehouses to store goods and commodities and provide finance, taking such goods and commodities as collaterals.

p-Providing investment advisory services, acting as an investment manager, agent or financial representative, participating to manage the affairs of any individual natural or legal persons, and working to execute testaments and real estate management.

q-Collecting amounts payable by third parties inside or outside Saudi Arabia on behalf of any individual natural or legal person in the capacity of a Trustee or executor of a will and issuing clearance certificates in respect thereof.

r-Managing, selling, utilizing, acquiring, and dealing in any assets, right or interest in any movable or immovable money that may revert back to the Company or be held or acquired by it for collecting all or part of its liabilities or be presented as a collateral for any finance or facilities provided by it or may otherwise relate to such claim or collateral. All the foregoing should be executed within the limits set by applicable laws.

s-Borrowing or receiving finance in line with rules governing the Company's business, signing contracts, providing relevant guarantees, sponsorships and mortgages inside or outside Saudi Arabia.

t-Supervising the management of investment units and funds and participating in capital markets to promote Islamic methods in the field of investment and finance.

u-Performing all other acts and activities that contribute to the introduction and achievement of the Company's objectives or the expansion of its business.

v-Participating in all investment activities (commercial, agricultural, industrial, real estate, etc.).

w-Concluding all commitments presented or accepted by the Company with different governmental and public institutions or any other natural or legal person inside or outside Saudi Arabia.

#### **ARTICLE (4): PARTICIPATION AND MERGER**

The company may establish subsidiary companies, and it may also have an interest, or participate in any way with the bodies or companies that carry out business similar to its business or that may help it to achieve its purposes, and it may also own shares or stakes in other existing or merged companies or merge into or buy them, after obtaining the prior written no-objection of the Saudi

Central Bank and complying with the provisions of the laws and regulations in force in the Kingdom of Saudi Arabia.

#### **ARTICLE (5): DURATION OF THE COMPANY**

The duration of the Company shall be ninety-nine (99) Gregorian years commencing as of the date of announcing its incorporation by the resolution of the Minister of Commerce, as per the Law of Companies. This term may be extended pursuant to a resolution of the Extraordinary General Assembly at least one (1) year before the expiry of the said term.

#### **ARTICLE (6): HEAD OFFICE OF THE COMPANY**

The Head Office of the Company shall be in the city of Riyadh and may be moved to any other city in Saudi Arabia, as decided by the Extraordinary General Assembly. The Board of Directors of the Company may open branches or offices and appoint correspondents inside or outside Saudi Arabia as required by the Company's activities or interests with due regard to relevant laws and regulations in force in Saudi Arabia and after obtaining a written non-objection from the Saudi Central Bank.

### **PART II – CAPITAL AND SHARES**

#### **ARTICLE (7): CAPITAL**

The company's capital shall be (12,500,000,000) twelve thousand five hundred million Saudi riyals divided into (1,250,000,000) one thousand two hundred and fifty million nominal shares of equal value (SAR 10 per share). All shares shall be fully paid and shall be equal in terms of rights and obligations arising therefrom in all respects

#### **ARTICLE / 8 - SUBSCRIPTION UPON INCORPORATION**

Shareholders have subscribed to the entire capital and paid the value of their shares in full.

## ARTICLE / 9 - SHARES

- a- Shares are nominal, and they may not be issued at less than their nominal value, but may be issued at a higher value, and in this last case, the difference in value is added to the statutory reserve even if it reaches its maximum.
- b- The share is indivisible against the company, and in the event that it is owned by many persons, they must choose one of them to act on their behalf to use the rights pertaining to the share, and these persons shall be jointly responsible for the obligations arising from the ownership of the share.

## ARTICLE (10): SHARE TRADING

The Shares are tradeable after being listed in the Saudi Stock Exchange (Tadawul). As an exception to the foregoing, cash shares held by the founding shareholders may not be traded before publishing the budget and profit and loss statement for a period of three (3) consecutive years as of the date of the Company's incorporation, with each year consisting of twelve (12) months.

However, it is allowed, during the lock-up period and in accordance with equity sale provisions, to transfer the title of the founders' shares from one founder to another or to the members of the Board of Directors to provide them as a guarantee to the management, or from the heirs of a deceased founder to others.

## ARTICLE 10 BIS - BUYING AND DISPOSING OF THE COMPANY'S SHARES

Taking into account the provisions, regulations, controls and instructions, such as obtaining a non-objection from the Saudi Central Bank and other competent authorities, according to the circumstances, the company may:

- a- Purchase its shares to be used as treasury shares in the cases and purposes exclusively specified in the following:

- a-1 If the Board of Directors or whomever it delegates believes that the share price in the market is less than its fair value.
- a-2 Swap operations for the acquisition of shares or stakes in a company or the purchase of an asset.
- a-3 Allocated to the company's employees within the employees shares program.
- a-4 Any other purpose approved by the Capital Market Authority.
- b- Selling treasury shares in one or several stages.
- c- The company's issuance of preference shares and its purchase or conversion of ordinary shares into preference shares or conversion of preference shares into ordinary shares.

#### **ARTICLE (11): TRADING METHOD**

The Shares shall be traded in the Capital Market in accordance with the provisions of the Capital Market Law.

#### **ARTICLE (12): SEIZING SHARES**

A shareholder shall pay the value of a share at the specified dates. If a shareholder fails to pay on the due date, the Board of Directors may, after notifying such shareholder by registered mail sent to their address as recorded in the shareholder register, sell such share in a public auction.

However, the shareholder in default up to the sale date may pay the due amount, in addition to any expenses incurred by the Company.

The Company shall receive the amounts due thereto from the sale proceeds and shall return any remaining amount to the shareholder. If the sale proceeds are insufficient to cover these amounts, the Company may satisfy such amounts from the shareholder.

The Company shall cancel the sold share, and shall give the purchaser a new share bearing the number of the cancelled share, and shall indicate in the shareholder register that the sale has taken place and shall mention the name of the new shareholder.

#### **ARTICLE / 13 - INCREASING THE CAPITAL**

- a- The Extraordinary General Assembly, after verifying the economic viability, and after obtaining the non-objection of the Saudi Central Bank and the approval of the competent authorities, may decide to increase the capital of the company, provided that the capital has been fully paid.
- b- The Extraordinary General Assembly may, in all cases, allocate all or part of the shares issued for capital increase to employees of the Company and/or all or part of its subsidiaries. Shareholders may not exercise pre-emptive rights if the Company issues shares for employees.
- c- At the time the Extraordinary General Assembly issues a resolution approving the capital increase, a shareholder will be entitled to a pre-emptive right to subscribe to the new shares issued against cash contribution. Such a shareholder shall be informed of their pre-emptive right by notifying them through registered mail recorded in the shareholder register or by mean of modern technology of the resolution of capital increase as well as the conditions, duration and commencement and expiry date of the subscription.
- d- The Extraordinary General Assembly may stop application of the pre-emptive right vested in shareholders to subscribe to the capital increase against cash contribution or may vest such right in persons other than the shareholders in cases it believes this is appropriate for the Company's interest.
- e- A shareholder may sell or assign the pre-emptive right during the period from the date the General Assembly resolution approving the capital increase is adopted until the last day of



subscription to the new shares related to such right, in accordance with the controls set by the competent authority.

- f- Subject to paragraph d above, the new shares shall be distributed to holders of pre-emptive right who requested subscription in proportionate to their pre-emptive right of the total pre-emptive rights resulting from the capital increase, provided that the shares they receive do not exceed the amount of new shares they requested. The remaining of the new shares shall be distributed to holders of pre-emptive right who requested more than their respective shares in proportionate to their pre-emptive right of the total pre-emptive rights resulting from the capital increase, provided that the shares they receive do not exceed the amount of new shares they requested. The remaining shares shall be offered to third parties, unless the Extraordinary General Assembly decides or the Capital Market Law states otherwise.

#### **ARTICLE / 14 - DECREASING THE CAPITAL**

The company's capital may , by a resolution of the Extraordinary General Assembly based on acceptable justifications and in accordance with the relevant regulations and controls and after obtaining the non-objection of the Saudi Central Bank and the approval of the relevant competent authorities, be reduced if it exceeds its need or if the company incurs losses. The reduction resolution may only be issued after the Extraordinary General Assembly examines the Auditor's Report explaining the reasons for the reduction, the Company's liabilities and the effect of the reduction on these liabilities, taking into account the provisions of the corporate Law. The resolution must explain the method of reduction.

If the capital reduction is a result of the capital being in excess of the Company's need, the creditors shall be invited to submit their objections to the reduction within at least (45) days from the date specified for holding the extraordinary general assembly meeting to take the reduction decision, and in accordance with the controls specified in the Companies Law and

related regulations. If a creditor objects to such reduction and submits to the Company their documents on the specified date, the Company shall pay their debt if already due or shall provide them with sufficient guarantee to satisfy their debt if it is due in the future.

### PART III:

#### BOARD OF DIRECTORS

##### ARTICLE / 15: Managing Company Affairs

The Company shall be managed by a Board composed of eleven (11) members to be elected by the Shareholders' Ordinary General Assembly for the term of three (3) years. It is always allowed to re-appoint the member whose membership term has expired. As an exception to the foregoing, the Founding Assembly appointed the first Board of Directors for a five-year term.

##### ARTICLE / 16- MEMBER OF THE BOARD OF DIRECTORS

Each shareholder has the right to nominate himself or another person or more for membership in the Board of Directors within the limits of his ownership percentage in the capital. The candidate nomination for the Board of Directors will be recognized after obtaining the written non-objection of the Saudi Central Bank.

##### ARTICLE / 17- TERMINATION OF MEMBERSHIP AND REPLACEMENT

###### A- Membership expiration and termination:

The membership of a Board member expires / terminates for many reasons includes but not limited to the following:

A-1 Expiry of the Board's term;

A-2 Resignation or death of the member.

A-3 If a member becomes ineligible for membership according to the provisions of any law in force in Saudi Arabia.

A-4 If a member undergoes mental illness.

A-5 If a judgment is ruled of being guilty of a crime of fraud, breach of trust, or dishonorable offense.

A-6 If he is judged bankrupt, (has made arrangements, or reconciled with his creditors according to the bankruptcy law or any other relevant laws, regulations and instructions).

A-7 If he becomes a member of the Board of Directors of any other commercial bank in the Kingdom of Saudi Arabia.

A-8 If he is absent during one term - (three years) - from attending the sessions of the Board of Directors or its committees three times in a row or five non-consecutive times - each separately - without a legitimate excuse that requires this based on the recommendation of the Board of Directors to the General Assembly.

A-9 Dismissal of a Board Member pursuant to a resolution issued by the General Assembly by a majority of at least (2/3) two-thirds of the number of shares present or represented if the dismissal was not at the request of the Board of Directors, and by the ordinary majority of the shares present or represented, if the dismissal was based on the request of the Board of Directors.

In all cases, in the event of termination or expiration of the membership of any member of the Board of Directors or one of its committees, the Saudi Central Bank and other regulatory and supervisory authorities must be notified on the specified dates and in accordance with the relevant regulations, rules, controls and instructions.

**B- Replacement:**

B-1 Taking into account the provisions of this Articles of Association and in a manner that does not violate the Companies Law and the regulations, bylaws, and instructions related to the formation of the Board of Directors in terms of the number and classification of its members, the minimum for the meeting, etc., if the position of a member of the Board of Directors becomes vacant, the Board of Directors may, according to its discretion, take one of the following two options:

B-1-1 proceed with the existing number of the Board of Directors after the vacancy of the afore mentioned position / positions, provided that the number of the members of the

Board of Directors, its qualitative composition, and the qualities of its members are sufficient and appropriate and meet the statutory and organizational requirements;

B-1-2 to appoint a member temporarily to the vacant position, according to the criteria regulating the same;

Provided that the appointment shall not be made except after obtaining a prior written non-objection from the Saudi Central Bank, and that the appointment shall be presented to the Ordinary General Assembly at its first meeting, and the new member shall complete the term of his predecessor.

B-2 If the number of the members of the Board of Directors is less than (7) members, the Board of Directors becomes dissolved, and the remaining members must call the ordinary general assembly to convene within sixty days to elect the necessary number of members.

b-3 In the event of failure to elect a Board for a new term and the term of the current Board has lapsed, the members of such Board shall continue to perform their duties until a new Board is elected after obtaining written non-objection of the Saudi Central Bank, provided that the period of such continuation of the lapsed Board does not exceed (90) days from the end date of the Board's term, and the Board shall undertake all necessary procedures to elect a new replacement Board before the expiry of the period specified in this paragraph.

b-4 In the event that the chairman and members of the Board resign, they shall call for the Ordinary General Assembly meeting to convene in order to elect a new Board, and such resignation shall not be effective until a new Board is elected, provided that the period of such continuation of the resigned Board does not exceed (120) days from the date of such resignation, and the Board shall undertake all necessary procedures to elect a new replacement Board before the expiry of the period specified in this paragraph

C- The bank's approved replacement policy and mechanism determines the methods of the replacement process, membership expiration, termination, and other statuses thereof in

accordance with the regulatory requirements and regulatory rules of the supervisory authorities.

## **ARTICLE / 18 - POWERS AND SPECIALTY OF THE BOARD OF DIRECTORS**

Without prejudice to the Company's Law, the Bank's Control regulation and the relevant instructions of the Saudi Central Bank, and without prejudice to the powers established for the General Assembly, the Board of Directors shall have the broadest powers in managing the company's business, drawing its policies, determining its investments, and supervising its activities, business and funds. For the purpose of carrying out its duties, the Board has all powers and performs all the actions and deeds that the company is entitled to perform under this Articles of Association, provided that the Articles of Association have not explicitly stipulated that these actions are among the powers of the General Assembly. The Board of Directors shall have the following powers, but not limited to:

A-18 Issuance of Sukuk and other debt instruments:

The Board of Directors has the authority to issue Sukuk and other private debt instruments as well as tradeable instruments of various kinds and names in the Saudi currency and in foreign currencies, through one or a series of issuances and in one or several parts, according to the following controls and limitations:

A-18-1 that these Sukuk are not convertible into shares.

A-18-2 that the value of these sukuk does not exceed the value of the company's capital.

A-18-3 Obtaining the approval of the regulatory authorities (written no objection from the Saudi Central Bank).

A-18-4: Adhere to the times, amounts, conditions, and manner approved by the Board of Directors, to take all necessary measures related to the issuance of Sukuk and to obtain the approval of the competent authorities, such as no objection from the Saudi Central Bank.

Moreover, the Board has the right to empower a person or number of persons to exercise its power in regard to the Sukuk issuance and authorize him/them to delegate all or part of that power(s) to any other person(s)

B-18. The Board of Directors has the power to enter into financial obligations for periods exceeding (3) three years, collect the company's rights and pay its obligations, absolve the company's debtors from their obligations, make conciliation and resort to the judiciary and all bodies, committees and competent authorities, and arbitration. The Board has the right to approve and authorize the signing of all documents, facilities contracts and all commercial papers, and to provide guarantees and warranties.

C-18 Regarding [real estate]:

- The Board of Directors has the power to sell and purchase real estate, emptying, accepting, receiving the price, handing over the appraiser, the mortgage, accepting the pledge, seizing it, releasing it and amending it, receiving compensation, leasing, receiving rent, renting, paying and signing contracts for the aforementioned, and regarding receiving and delivering instruments, amending, splitting, dividing, merging, sorting and marginalizing instruments.

D-18 Regarding [companies / other entities]

- Establishing companies or bodies/entities, participating, owning shares or stakes in them, supervising or managing them, and signing their Articles of Association and amendments thereof, with the Notary Public, the Ministry of Commerce, the Commercial Registration Department, and others, including the approval of partners' decisions to buy and sell shares or stakes, decisions to appoint managers, and decisions of increasing or reducing the capital, approving all decisions of partners in the companies in which the company is a partner, attending meetings, voting on the agenda of these meetings, representing the company in its Boards of Directors, appointing and recruiting employees, terminating or

transferring their services, appointing lawyers and agents and dismissing them or terminating their services.

E-18. Regarding contracts, documents, opening and operating accounts:

Authentication, approval and authorization to sign all contracts, files and documents of all kinds;

Buying and selling securities and goods for the account of the company or its clients, replacing them, receiving their value and disbursing their profits.

The right to approve the opening of accounts in banks and financial companies, and operating them, including the approval, and authorization to sign all papers and documents, withdraw, deposit, settle accounts, inquire about balances, request account statements, receive them, request, receive and sign checks, exchange and endorse them and open bank credits of all kinds and perform transfers between the company's accounts or between the company's accounts and the accounts of others with all banks inside and outside the Kingdom and conducting all transactions and banking transactions. The Board of Directors has the right to delegate and dismiss others in all or some of what it is assigned to, and the agent has the right to delegate others in all or some of what he is assigned to, and to permit the agent of the agent to authorize others in all or some of what it is assigned to.

The Board of Directors has the right - within the limits of what is stipulated in the corporate Law and its regulations, rules, and control issued by the relevant supervisory and regulatory authorities - to entrust any of its powers to its chairman or his deputy and / or to the managing director or any member of the Board of Directors or to any committee formed from members of the Board or to any of the authorized employees or workers of the company. The Board also has the right to delegate any person with specific authority or powers for the period that the Board deems appropriate. Nevertheless, the Board of Directors is not entitled to donate



any of the company's funds except within the limits established in the laws and regulations in force in the Kingdom and what is customary.

#### **Article / 19 - Board Committees and Audit Committee**

The Board of Directors forms a number of committees affiliated with it to help it perform its role and responsibilities according to the regulations and rules issued by the General Assembly or the Board - as the case may be - in a manner that does not conflict with the regulations and organizational rules of the regulatory authorities, and the formation of these committees is from among the members of the Board and / or from outside it, provided that the head of each committee is from among the members of the Board of Directors, and to obtain a written non-objection of the Saudi Central Bank to choose the members and heads of these committees.

The auditing committee is formed and its regulations are approved by a decision of the Ordinary General Assembly - after obtaining written no objection from the Saudi Central Bank to the candidates - in accordance with the provisions of the companies' Law and its regulations, and the relevant regulatory regulations, rules and controls.

The Chairman of the Board provides the Saudi Central Bank with a list that includes all the committees affiliated with the Board, their tasks, work procedures, and the names of their members.

#### **ARTICLE / 20 – REWARDS**

- a. The remuneration of the Chairman and members of the Board of Directors and its committees shall be according to what is approved by the General Assembly or the Board - according to the circumstances - and the policies and regulations issued - within the limits of what is stipulated the relevant rules and regulations - such as the controls and instructions issued by the competent supervisory authorities such as the Saudi Central Bank, the Capital Market Authority and others.

- b. The annual report of the Board of Directors to the General Assembly includes a comprehensive statement of all the sums obtained by the members during the Company's financial year, including remuneration, attendance allowance, and petty cash, as well as cash or in-kind benefits. The aforementioned report also includes a statement of the sums obtained by the members of the Board in their capacity as authorized employees in the Company or its workers, or what they received in exchange for technical, administrative or advisory services.

## **ARTICLE / 21 - BOARD CHAIRMAN, VICE CHAIRMAN, MANAGING DIRECTOR, CHIEF EXECUTIVE OFFICER AND SECRETARY**

Without prejudice to the provisions contained in the Company's Law and its Regulations, the Banking Control Law and its Regulations, and other regulations and rules issued by the relevant supervisory and regulatory authorities, the regulations for appointing and defining the powers and competencies shall be according to the following:

### **21-A Appointing the Chairman, Vice Chairman, Managing Director, Chief Executive Officer and Secretary of the board and determining their powers:**

21-A-1 The Board of Directors shall appoint from among its members a Chairman and Deputy Chairman of the Board - after obtaining a written non-objection from the Saudi Central Bank. In case of the absence of the Board Chairman for any reason, the Vice Chairman of the Board shall represent him and he shall have the full powers of the Chairman of the Board of Directors stipulated in this Articles of Association during his absence.

21-A-2 After obtaining written no objection from the Saudi Central Bank, the Board of Directors appoints the CEO, and specifies his responsibilities and powers.

21-A-3 The Board of Directors may delegate one of its members to represent him in managing the bank and monitoring the implementation of its instructions. The Board of Directors may entrust and assign to the delegated member any authority exercised by the Board in accordance

with any provisions, conditions or restrictions that the Board deems appropriate. It is not permissible to combine the position of Chairman of the Board of Directors and any executive position in the Company, and the Board of Directors has the right from time to time to cancel, withdraw or change all or any of these powers, and the membership of the Managing Director ends automatically if for any reason he ceases to exercise his duties.

21-A-4 The Board of Directors appoints a secretary from among its members or from others - after obtaining a written non-objection from the Saudi Central Bank - who shall be concerned with establishing the Board's deliberations and decisions and recording them in the relevant register as well as keeping this record and his remuneration is determined by a decision of the Board of Directors, and the term of the Chairman of the Board of Directors, the Managing Director, the Secretary of the Board, and the Member of the Board of Directors shall not exceed the term of their respective memberships in the Board, and they may always be reappointed.

#### **21-B Competencies and Powers of the Chairman of the Board of Directors:**

21-B-1 Chairing the Board of Directors meetings as well as the General Assembly meetings.

21-B-2 Representing the company and litigate on its behalf: such as:

21-B-2-1 Representing it in its relations with others and before all governmental and private agencies and bodies, companies, institutions, public courts, notaries public, judicial and quasi-judicial committees of all kinds, and all natural and legal persons inside and outside the Kingdom.

21-B-2-2 Attending, signing, filing lawsuits, hearing them, striking them off, suspending them, submitting evidence, hearing it, challenging it, trial, litigation, pleading, defense, acceptance of judgments, requesting appeal of judgments, petitioning for reconsideration, approval, denial, acquittal, conciliation, waiver and settlement with or without compensation, requesting the oath and denial thereof, appointing experts and arbitrators, and accepting or refusing their decisions, request, admission and rejection of witnesses, submission of objection regulations, lawsuit regulations, defense memoranda, receipt of instruments, notifying and being notified in any case

or complaint filed by or against the Company before all bodies and courts of different types and degrees, the Board of Grievances, the judicial and quasi-judicial committees, and all investigative entities.

21-B.2.3 He has the right to review all ministries, emirates, governorates, public and private entities and institutions, police offices, civil rights and enforcement departments, chambers of commerce and industry, and register trademarks.

21-B.2-4 He has the right to execute judgments by any means and implement the articles of the legal pleadings law, and he has the right to request the imprisonment of debtors, their eviction, the travel ban, the request for seizure of debtors' funds, ratification and release, and the submission and receipt of all necessary summons, regulations, reports, written and verbal answers, testimony and signing on behalf of the Company all that is needed and submitting it to the official and non-official entities, acknowledging the Company's clearance for collecting receivables and rights from debtors, denying and challenging for forgery.

21-B-3 in relation to [real estate]:

The right to sell and release to the buyer, receive the price, buy, accept assignment, accept emptying, mortgage, accept mortgage, release mortgage, amend mortgage, merge instruments, split, sort, receive, update, and enter instruments into the comprehensive system, extract instruments instead of lost and damaged, waive space shortages and convert agricultural lands into residential and appear before notaries public to inquire about real estate, certify copies of deeds, rent and lease, sign lease contracts, renew, amend, annul and cancel them, and receive and deliver the rent.

21-B-4 With respect to [companies / entities]:

Signing contracts for the establishment of subsidiary companies or in which the company participates, signing amendment annexes and partners' decisions, appointing and removing managers, opening accounts with banks in the name of the company and closing them, signing

agreements, signing article of associations and amendment annexes with a notary public, extracting and renewing commercial records, extracting and renewing licenses from all government agencies.

21-B-5 The Chairman of the Board of Directors may delegate and dismiss others in all or some of the powers aforementioned in paragraphs (21- B2-, 21- B3, - 21-B4) and he has the right to grant the agent the right to delegate others to do so.

## **ARTICLE / 22 – MEETINGS**

The number of the Board of Directors meetings shall be according to the rules and instructions issued by the regulatory authorities, and the Board of Directors shall meet at the invitation of its Chairman, and the invitation shall be accompanied by an agenda. The Chairman of the Board of Directors must call for the meeting whenever two of the members so requested. The invitation is sent to each member via mail, e-mail, or through any of the approved technology means at least two weeks before the scheduled date of the meeting, with the exception of emergency or unscheduled meetings.

- Meetings may be held remotely through video conferences or conference calls and through the means, channels and applications approved by the bank, and to sign or obtain approval for them and decisions, recommendations and minutes electronically according to the approved secure methods by the bank.

## **ARTICLE / 23 - QUORUM OF MEETINGS**

A Board meeting shall be valid only if attended (in person or by proxy) by at least seven (7) members, six (6) of whom should attend in person, including the Chairman of the Board of Directors or his vice. In the event that a Board member delegates another member to attend the Board meetings on behalf of him, the delegation should be governed by the following controls:

- a- No member may be allowed to act on behalf of more than one member in the same meeting.

- b- The proxy should be in writing.
- c- An acting member may not vote on certain resolutions as provided for by applicable law.

As a general rule, the decisions of the Board of Directors are issued by the majority of the members present or representatives, with the preponderance of the side for which the Chairman of the Board of Directors or his representative voted in case of equal votes, and in all cases the number of votes in support of the decision must not be less than five votes.

#### **ARTICLE / 24 - RESOLUTIONS OF THE BOARD**

The Board may issue some of its decisions in circulation to the members dispersed through mail, e-mail, or any of the approved technical means of communication unless a member requests in writing the Board meeting for deliberation, and these decisions are presented to the Board of Directors at its first subsequent meeting. The Board of Directors' deliberations and decisions are confirmed in minutes signed by the Board of Directors' Chairman, the attending members, and the secretary. These minutes are recorded in a special file for reference when needed.

## PART IV

### SHAREHOLDERS' ASSOCIATIONS

#### ARTICLE / 25

A properly formed general assembly represents all shareholders and is held in the city in which the company's head office is located.

Every shareholder, regardless of the number of his shares, has the right to attend the General Assembly, and the shareholder may delegate another person to attend the General Assembly on his behalf, other than the members of the Board of Directors, the Company's employees, or those charged with permanently carrying out technical or administrative work for his account.

#### ARTICLE / 26 – General and Special Assembly

General and special assemblies shall be held, their powers shall be determined, their resolution shall be issued in accordance with the Companies' Law and regulations and what is stated in these Articles of Association.

#### ARTICLE / 27 - ORDINARY GENERAL ASSEMBLY

Without prejudice to the provisions of the Banking Control Law and other relevant regulations and instructions issued by the Saudi Central Bank, with the exception of matters pertaining to the Extraordinary General Assembly, the Ordinary General Assembly shall be concerned with all matters related to the Company and it shall be held at least once a year during the six months following the end of the Financial Year of the Company, and other meetings of ordinary assemblies are held whenever the need arises.

#### ARTICLE / 28 - EXTRAORDINARY GENERAL ASSEMBLY

Taking into account the provisions of the Banking Control Law and other relevant regulations, and the instructions issued by the Saudi Central Bank, the Extraordinary General Assembly shall have the authority to amend the Company's Articles of Association with the exception of

provisions that it is prohibited to amend by law. It may issue decisions on matters falling within the jurisdiction of the Ordinary General Assembly, under the same terms and conditions as the last assembly.

#### **ARTICLE / 29 - GENERAL ASSEMBLIES OF SHAREHOLDERS**

- a- The general and special assemblies of the shareholders shall convene upon the invitation of the Board of Directors, and the Board of Directors shall call the Ordinary General Assembly with 30 days from the request of the Saudi Central Bank, the two auditors, the audit committee, or a number of shareholders representing at least (10%) ten percent of the Company's capital. The auditor may invite the ordinary assembly to convene if the Board does not invite the assembly within thirty days from the date of the auditor's request. The request referred to in this paragraph shall state the items on which shareholders are required to vote.
- b- By a decision from the competent authority, it is permissible to invite the Ordinary General Assembly to convene in the following cases:
- b-1 If the period specified for the meeting stipulated in Article (27) of the Company's Articles of Association has passed without convening;
- b-2 If it is found that there are violations of the provisions of the Companies Law or the Company's Articles of Association, or a defect in the management of the company, including If the number of members of the Board of Directors is less than the minimum for its valid convening, taking into account the regulating rules related to Article (17), paragraphs (B) and (C).
- b-3 If the Board does not direct invitation to convene the General Assembly within thirteen days from the date of the request of the auditor or the audit committee or a number of shareholders representing (10%) of the capital at least.
- C- The invitation to hold the general and special assembly shall be sent through modern technological means at least twenty-one (21) days before the date specified for the



meeting, and it shall be published on the Saudi Exchange's website and the company's website, after obtaining the approval of the Capital Market Authority. The invitation shall include the agenda, and a copy of the invitation and agenda shall be sent to the Saudi Central Bank, the Commercial Registry, as well as a copy to the Capital Market Authority on the date of announcing the invitation.

- Contemporary technology may be used to allow the shareholders to participate in General Assembly and Special Assembly meetings and their deliberation, review agendas of such meetings and related documents, in accordance with the controls specified in the implementing regulations of the Companies' Law for listed companies and the relevant laws and regulations.

#### **ARTICLE / 30 - DOCUMENTING ATTENDANCE AND ITS METHOD**

At the meeting of the General Assembly, a list shall be issued with the names of the shareholders present and represented and their places of residence, with an indication of the number of shares they hold by authenticity or by proxy, and the number of votes allotted to them. Everyone with an interest shall have access to this list.

#### **ARTICLE / 31: QUORUM FOR MEETINGS OF THE ORDINARY GENERAL ASSEMBLY**

A meeting of the Ordinary General Assembly shall be valid only if attended by shareholders representing at least one-quarter of the capital. If such quorum is not attained in the first meeting, a second meeting shall be held one hour after the lapse of time set for the first meeting, provided that the invitation for holding the first meeting indicates the possibility of holding such meeting. In all cases, the second meeting shall be valid regardless of the number of shares represented therein.

## **ARTICLE / 32: QUORUM FOR MEETINGS OF THE EXTRAORDINARY GENERAL ASSEMBLY**

- a- A meeting of the Extraordinary General Assembly shall be valid only if attended by shareholders representing at least half of the capital. This invitation shall be announced in the manner stipulated in Article (29-A) of this Articles of Association.
- b- If such quorum is not attained in the first meeting, a second meeting shall be held one hour after the lapse of time set for the first meeting, provided that the invitation for holding the first meeting indicates the possibility of holding such meeting. The second meeting shall be valid if attended by a number of shareholders representing at least one-quarter of the capital.

If quorum is not attained in the second meeting, an invitation shall be made for a third meeting to be held under the same conditions provided for in Article 29-A of this Article of Association. The third meeting shall be valid regardless of the number of shares represented therein after obtaining the approval of the competent authority.

## **ARTICLE / 33: VOTING AT MEETINGS OF THE ASSEMBLIES**

Each shareholder shall have one vote per share at General Assemblies. However, the members of the Board of Directors may not participate in voting on the decisions of the General Assembly related to their remuneration, privileges and acquitting them by their management, or giving them the necessary licenses to carry out some work that involves self-interest, or to renew these licenses. Voting on the selection of the members of the Board of Directors in the General Assembly shall be by cumulative voting, and in general, members of the Board of Directors may not participate in voting on every subject that the Companies Law and its regulations stipulate that they abstain from voting.

## **ARTICLE / 34 – RESOLUTIONS**

1. The decisions of the Ordinary General Assembly shall be issued by the absolute majority of the shares represented in the meeting.

2. The decisions of the Extraordinary General Assembly shall also be issued by a majority of two-thirds of the shares (2/3) represented in the meeting, unless the decision is related to an increase or decrease of the capital or extending the term of the Company or the dissolution of the Company before the expiration of the period specified in its statute or the incorporation of the Company into another company or institution. The decision shall not be valid unless it is issued by a majority of three quarters of the shares (3/4) represented at the meeting.

3. The decisions of the General Assembly shall be effective from the date of its issuance, except in cases where the Companies Law, the Company's Articles of Association, or the resolution issued stipulate that it shall be effective at another time or when certain conditions are met.

4. The Board of Directors shall register with the Commercial Register the decisions of the extraordinary general assembly determined by the Implementing Regulations within (fifteen) days from the date of their issuance

#### **ARTICLE / 35 - AGENDA:**

1. The board of directors shall, when preparing the agenda of the general assembly, take into consideration the matters that shareholders wish to include. A shareholder, or more, representing at least 10% of the company's voting shares may add an item, or more, to the agenda during its preparation, in accordance with relevant controls and procedures the Competent Authority may amend said percentage.

2. Each shareholder has the right to discuss the topics listed on the agenda of the assemblies, and to direct questions about them to the members of the Board of Directors and the auditors. The Board of Directors or the auditors answer the shareholders' questions to the extent that does not jeopardize the Company's interest. If the shareholder considers that the answer to his question is not convincing, he appeals to the General Assembly, and its decision in this regard shall be enforceable.

**ARTICLE / 36 - PRESIDING OVER ASSEMBLIES:**

Shareholder general assembly meetings shall be chaired by the chairman of the board of directors, the vice-chairman in case of the chairman's absence, or any member designated by the board of directors in the absence of both the chairman and vice-chairman. If none of the above is possible, the shareholders shall vote to designate a board member or any other person to chair the general assembly meeting. Minutes of the meeting of the assembly are drawn up that include the number of shareholders present or represented, the number of shares they hold in person or by proxy, the number of votes assigned to them and the resolutions that it took, the number of votes it approved or disagreed with, and a complete summary of the discussions that took place in the meeting. Minutes are recorded regularly after each meeting in a special register signed by the Assemblies Chairman, secretary and vote collector.

## PART V

### AUDITOR

#### ARTICLE / 37 - APPOINTMENT:

The Company shall have two auditors from among the auditors authorized to work in the Kingdom, to be appointed annually by the Ordinary General Assembly, who shall determine the remuneration and duration of work for each of them, and it may reappoint them in accordance with the controls and provisions set by the relevant laws, regulations and instructions.

#### ARTICLE / 38 - POWERS AND RESPONSIBILITIES OF THE AUDITOR:

The powers and responsibilities of the auditors shall be determined in accordance with the Companies Law and its controls, as well as the other governing regulations, controls and rules, the most important of which are the following:

- a- The auditor has the right at all times to review the Company's books, records and other documents related to his mission. He may request data and clarifications that he deems necessary to obtain, and he may also verify the Company's assets and liabilities.
- b- The auditor shall submit to the annual general assembly a report that includes the Company's position on enabling him to obtain the data and clarifications he requested, and what he has revealed of violations of the provisions of the Companies Law and the Banking Control Law or the provisions of this Law and his opinion on the fairness of the financial statements and the conformity of the Company's accounts to the facts, and any other reports that fall within his duties in accordance with the regulating regulations and instructions.
- c- The auditor may not disclose to the shareholders, in a general assembly or to a third party, the Company's secrets that have come to his knowledge due to the performance of his work, otherwise he must be dismissed in addition to claiming him for compensation.

- d- The auditor shall be responsible for compensating the harm that befalls the Company, shareholders or third parties due to errors committed by him in the performance of his work; and if there are multiple auditors and they participate in the error, they shall be jointly liable.
- e- The auditor may not, while serving as an auditor of a company, participate in company's management or serve as a member of its board of directors. He may not be a partner, employee, or relative of any of the company's incorporators, managers, or board members, nor may he purchase or sell interests or shares thereof.

## PART VI

### COMPANY ACCOUNTS AND DIVIDENDS

#### ARTICLE / 39 - THE FISCAL YEAR:

The Company's fiscal year begins on the first day of January and ends on the last day of December of each Gregorian year, provided that the Company's first fiscal year begins from the date of the decision announcing the establishment of the Company until the end of December of the following year.

#### ARTICLE / 40 - FINANCIAL DOCUMENTS

The Board of Directors shall, at the end of each fiscal year, prepare the financial statements of the Company, and a report on its activities and financial position for the past financial year. This report includes the method it proposes for distributing net profits, and the Board of Directors puts these documents at the disposal of the auditors at least (45) forty-five days before the date set for convening the General Assembly.

The Chairman of the Board of Directors, the Chief Executive Officer and the Financial Director shall sign the aforementioned documents, and they shall be deposited at the head office of the Company at the disposal of the shareholders.

The Chairman of the Board of Directors shall provide shareholders with the company's financial statements, the Board of Directors' report, and the auditor's report, at least twenty-one (21) days before the date of the General Assembly, unless published in any means of modern technology, while adhering to what is specified by the regulations and instructions of the relevant authorities regarding depositing these documents.

#### ARTICLE / 41 - PROFITS DISTRIBUTION

- a- The net annual profits of the Company that it determines shall be distributed after deducting all general expenses and other costs, and creating the necessary provisions to

face doubtful debts, investment losses and emergency obligations that the Board of Directors deems necessary in accordance with the provisions of the Banking Control Law and the directives of the Saudi Central Bank as follows:

a-1 The sums required to pay the Zakat prescribed for shareholders are calculated, and the Company pays these sums to the competent authorities.

a-2 Transferring no less than 25% of the remaining net profits after the Zakat deduction to the statutory reserve account until it becomes at least equal to the paid up capital.

a-3 Allocating (from the remaining profits after deducting the Zakat and reserve amounts) at least 5% of the paid-up capital to be distributed to shareholders as proposed by the Board of Directors and decided by the General Assembly. If the remaining profit is insufficient to cover this amount (5%), shareholders shall have no right to claim the payment of the same in the next year/years. The General Assembly shall have no right to distribute profits in excess of the amounts decided by the Board of Directors.

a-4 The remaining balance (after allocating the amounts referred to in paragraphs 1, 2, 3) of this Article shall be used as proposed by the Board of Directors and decided by the General Assembly.

b- Subject to the provisions of Paragraph (a) of this Article, the Company may distribute interim dividends to its shareholders on a biannual or quarterly basis after fulfilling the following requirements:

b-1 The issuance of a resolution by the General Assembly renewed annually authorizing the Board to distribute interim dividends.

b-2 The company shall enjoy regular positive profitability.

b-3 The company shall enjoy reasonable liquidity, and is able to reasonably foresee the scale of its profits.

b-4 The Company shall have distributable profits according to the latest audited annual financial statements - sufficient to cover the proposed dividend distribution, after



deducting the amounts distributed and capitalized of the profits after the date of the these financial statements.

**ARTICLE / 42 - PAYMENT OF DIVIDENDS TO SHAREHOLDERS:**

The Board must implement the General Assembly resolution with respect to dividend distribution to the Registered Shareholders within fifteen (15) days from the date they become entitled to such dividends as determined in such resolution, or the Board's resolution for the distribution of interim dividends

## PART VII

### DISPUTES

#### ARTICLE / 43 - LIABILITY LAWSUIT:

Every shareholder has the right to file a liability claim on behalf of the Company against the members of the Board of Directors if the mistake they committed would cause his own damage, provided that the Company's right to file this lawsuit still exists, and the shareholder must notify the Company of his intention to file the lawsuit.

## PART VIII

### THE COMPANY'S LOSSES, TERMINATION AND LIQUIDATION

#### ARTICLE / 44 - LOSSES OF THE COMPANY:

If the company's losses amount to half of the issued capital, the Board of Directors shall disclose this and its recommendations regarding such losses within (sixty) days from the date of becoming aware of their attainment of this amount, and invite the extraordinary general assembly to meet within (one hundred and eighty) days from the date of knowledge thereof to consider the continuation of the company while taking any of the necessary measures to address or resolve such losses, after obtaining a written non-objection of the Saudi Central Bank.

#### ARTICLE / 45 - MECHANISMS OF COMPANY LIQUIDATION

When the Company is dissolved, it moves to the liquidation phase, provided that it retains its legal personality to the extent necessary to complete the liquidation work. The voluntary liquidation decision is issued by the Extraordinary General Assembly based on the proposal of the Board of Directors (after obtaining the prior written approval of the Saudi Central Bank and according to the conditions it specifies). The liquidation decision must include the appointment of the liquidator (one or more of the partners or others), the determination of his / her powers/authorities and fees, the restrictions imposed on his / her powers/ authorities and the time required for the liquidation, in accordance with the controls contained in the corporate Law, its regulations, and other relevant rules and regulations. The authority of the Board of Directors ends with the Company's dissolution / termination, and yet the Board of Directors continues in the management of the Company and are counted in relation to others as liquidators until the liquidator is appointed. The Assemblies and bodies of the Company shall retain their competencies to the extent that they do not conflict with the competencies of the liquidators.

## PART IX

### FINAL PROVISIONS

#### ARTICLE / 46 - COMPANIES LAW AND RELATED REGULATIONS

Any provision in this Articles of Association contrary to the provisions of the Companies Law, Banking Control Law, the instructions issued by the Saudi Central Bank, or any other relevant laws or regulations, shall not be considered and the provisions of the Companies Law and other relevant laws and regulations shall apply thereon. The Companies Law and other relevant laws and regulations shall be applied to all that is not provided for in this Articles of Association.

#### ARTICLE / 47 - DEPOSIT OF THE ARTICLES OF ASSOCIATION

This Articles of Association shall be established and published in accordance with the provisions of the Companies Law and its regulations. The provisions of the Banking Control Law shall be taken into consideration with the regulatory decisions and rules issued by the Saudi Central Bank that are consistent with the nature of banking business in accordance with the provisions of Islamic Sharia.