Royal Decree No. [M/132] Dated 01/12/1443 AH

With the help of Allah

We, Salman bin Abdulaziz Al Saud,
King of Saudi Arabia

Pursuant to Article [70] of the Basic Law of Governance, promulgated by Royal Decree No. [A/90] dated 27/08/1412 AH;

Article [20] of the Council of Ministers Law, promulgated by Royal Order No. [A/13] dated 03/03/1414 AH;

Article [18] of the Consultative Assembly Law, promulgated by Royal Order. No. [A/91], dated 27/08/1412 AH.

Having reviewed the Consultative Assembly's Resolution No. [242/39] dated 14/11/1443 AH; and

Council of Ministers Resolution No. [678] dated 29/11/1443 AH.

Hereby Decree as follows:

First: The Companies Law attached herewith shall be approved.

Second: The provisions of the Law referred to in Section [First] hereof shall not prejudice the provisions, competencies and powers conferred upon the Saudi Central Bank and the Capital Market Authority based on the relevant statutory provisions.

Third: The companies existing when the Law referred to in Section [First] of this Decree enters into force shall adjust their affairs in accordance with its provisions, not later than [two years] starting from the date of its entry into force.

Notwithstanding the above, the Ministry of Commerce and the Capital Market Authority shall - within their respective areas of competence - determine the provisions contained in the aforementioned Law to which the above-mentioned companies shall be subject during that time limit.

Fourth: His Highness the Deputy Prime Minister, the ministers and heads of independent relevant agencies shall - within their respective areas of competence - implement this decree.

Salman bin Abdulaziz Al Saud

Council of Ministers Resolution No. [678] Dated 29/11/1443 AH

The Council of Ministers,

Having reviewed the file received from the Royal Court under reference No. 71964, dated 18/11/1443 AH, which includes the letter of His Excellency the Minister of Commerce, reference No. 22315, dated 24/07/1442 AH, regarding the Draft Companies Law;

The above-mentioned draft companies law;

The Companies Law promulgated by Royal Decree No. [M/3] dated 28/01/1437 AH;

Professional Companies, promulgated by Royal Decree number [M/17] dated 26/01/1441 AH;

The Memoranda Nos. [1721] dated 30/07/1443 AH, [2219] dated 27/09/1443 AH, and No. [2706] dated 28/11/1443 AH, prepared by the Bureau of Experts at the Council of Ministers;

The minutes prepared by the Council of Economic and Development Affairs, reference No. [1099/43/M] dated 27/11/1443 AH;

The Consultative Assembly's Resolution No. [242/39] dated 14/11/1443 AH; and

The recommendation of the General Committee of the Council of Ministers, reference No. [10464] dated 28/11/1443 AH.

Hereby resolves as follows:

First: The Companies Law attached herewith shall be approved.

Second: The provisions of the Law referred to in Section [First] of this Resolution shall not prejudice the provisions, competencies and powers conferred upon the Saudi Central Bank and the Capital Market Authority based on the relevant statutory provisions.

Third: The companies existing when the Law referred to in Section [First] of this Decree enters into force shall adjust their affairs in accordance with its provisions, not later than [two years] starting from the date of its entry into force.

Notwithstanding the above, the Ministry of Commerce and the Capital Market Authority shall - within their respective areas of competence - determine the provisions contained in the aforementioned Law to which the above-mentioned companies shall be subject during that time limit.

A draft royal decree has been prepared to that effect and is attached herewith.

Fourth: Upon preparing the Regulations referred to in Article [277] of the Law - referred to in Section [First] of this Resolution - the Ministry of Commerce and the Capital Market Authority, as the case may be, shall coordinate with the Saudi Central Bank in respect of the provisions relating to the latter's competencies concerning the financial institutions falling under its supervision and control. In addition, the Saudi Central Bank shall coordinate with the Ministry of Commerce and the Capital Market Authority - as the case may be - upon preparing any Regulations that have a direct impact on the application of the provisions of the Law.

Fifth: The Ministry of Commerce shall coordinate with the National Center for the Non-Profit Sector Development, in relation to the provisions pertaining to the non-profit companies and with regard to the Center's competencies over the non-profit sector.

Article [6]

The fees referred to in Article [279] of the Law – referred to in Section [First] of this Resolution - shall be determined in agreement with the Ministry of Finance and the Non-Oil Revenue Development Center, until the [Regulations on Practice of Public Agencies and Institutions and the like] are issued and enter into force, indicating the fees for the services and duties performed thereby.

The Prime Minister

COMPANIES LAW

Part I: General Provisions

Introductory Chapter

Article [1]

Definitions

1. The following words and expressions shall, wherever mentioned in this law, bear the meanings assigned thereto respectively, unless the context requires otherwise:

The Kingdom: The Kingdom of Saudi Arabia.

The Law: The Companies Law.

The Regulations: The regulations issued for the purpose of applying the provisions of the Law.

The Ministry: Ministry of Commerce.

The Minister: Minister of Commerce.

The CMA: Capital Market Authority

The Competent Authority: The Ministry, except for matters relating to joint stock companies that are listed on the Capital Market; as, in the latter case, the CMA shall be deemed the Competent Authority.

Relatives:

a. Fathers, mothers, grandfathers, grandmothers howsoever high;

b. Sons and their children howsoever low;

c. Husbands and wives.

Day: The calendar day, whether a business day or not.

2. Without prejudice to the provisions of the Law, the Regulations shall include definitions of other terms and expressions contained in the Law.

Article [2]

Definition of The Company

The company is a legal entity that is established in accordance with the provisions of the Law based on a Memorandum or Articles of Association, whereby two or more persons undertake to get involved in a for-profit business venture through providing a contribution in the form of cash payment or service or a combination of both, in order to share the profits or losses of such business venture. As an exception, however, the Company may - according to the provisions of the Law – be incorporated unilaterally by a single person. In addition, Nonprofit Companies may also be established in accordance with the provisions of Part [VII] of the Law.

Article [3]

Nationality of the Company

The Company incorporated in accordance with the provisions of the Law shall be labelled a Saudi Company, and its headquarters shall be located in the Kingdom.

Chapter I: Incorporation of the Company

Article [4]

Legal Forms of Companies

1. The Company to be incorporated in accordance with the provisions of Law shall have any of the following legal forms:

A. General Partnership;

B. Limited Partnership;

C. Joint Stock Company;

D. Simple Joint Stock Company; or

E. Limited Liability Company.

Article [5]

Name of the Company

1. Each Company shall have a trade name in either Arabic or any other language. Such a name may be derived from the Company's objects, involve a distinct name and / or be derived from the name of one or more of the company's current or former partners or shareholders, provided that any such a name does not go against the trade names law and other laws and regulations in force in the Kingdom.
2. The consent of the partner or shareholder, or their heirs if they die when no consent is expressed, shall be deemed a prerequisite in the event that the trade name is derived from any of the names of the former partners or shareholders in the Company.
3. The trade name shall be accompanied by an indication of the Company's legal form.
4. The Company's trade name may be changed in accordance with the mechanisms prescribed for amending the Company's Memorandum or Articles of Association. The change of the Company's name shall not affect its rights, obligations or the legal actions instituted by or against the Company before the change takes place.

Article [6]

Company Incorporation Application

1. Whoever gets actually involved in the incorporation of the Company and makes a cash or in-kind contribution to its capital shall be deemed a founder of the company.
2. The founders shall submit the application for incorporation and registration of the Company to the commercial register, accompanied by the Memorandum or Articles of Association, along with the necessary data and documents according to the form of the company.
3. The commercial register shall decide on the application that satisfies the necessary data and documents in accordance with the provisions of the Law.
4. If the application is rejected, the rejection shall be reasoned, in which a case, the founders shall have the right to file a grievance with the Ministry within [sixty] days following the date of their notification of the rejection of the application.
5. In the event that the grievance is either dismissed or not decided on within [thirty] days following the date of its submission, the founders may file a grievance with the Competent Judicial Body.

Article [7]

Incorporation Documents of the Company

1. Each company established in accordance with the provisions of the Law shall have a Memorandum of Association, while the Joints Stock Company, Simple Joint Stock Company and Limited Liability Company shall each have its own Articles of Association.

2. The Memoranda and Articles of Association of companies shall incorporate the data and conditions required by the Law, in a manner consistent with the form of the Company.

3. The Company's Memorandum or Articles of Association shall be issued in Arabic, and may be accompanied by translation into any other language.

4. The Ministry shall create reference templates for the Memoranda and Articles of Association of companies in accordance with the legal form of the company.

Article [8]

Registration of the Company's Incorporation Documents

1. The Company's Memorandum or Articles of Association, as well as all amendments introduced thereto, shall be issued in writing; otherwise, the same shall be null and void. The incorporation of the company and the amendment of its Memorandum or Articles of Association shall take effect after the necessary requirements are fully satisfied in accordance with the provisions of both the Law and the Regulations.

2. The founders, partners, managers or board members of the Company, as the case may be, shall have the Company's Memorandum or Articles of Association, as well as all amendments introduced thereto, registered with the commercial register. The commercial register shall publicise the necessary data or documents in accordance with the provisions of both the Law and Regulations. Whoever, from among such persons, causes such documents to be denied registration in the commercial register shall be jointly liable for compensation against the damage sustained by the Company, partners, shareholders or third parties as a result of such denied registration.

3. Third Parties shall have the right to get access to the documents set out in Paragraph [2] of this Article. Data and documents extracted from the commercial register shall have the probative force of evidence vis-à-vis the Company and third parties.

4. The Company's Memorandum or Articles of Association or any amendment thereto may only be invoked vis-à-vis third parties after being recorded with the commercial register. If any single or more information is not recorded in the commercial register, only such information shall not take effect vis-à-vis third parties.

Article [9]

Acquisition of the Legal Personality

1. The Company shall acquire the legal personality once it is registered in the commercial register. However, within the incorporation period, the Company shall have the legal personality insofar as required for its incorporation, provided that the incorporation process is completed.
2. As a result of the Company's registration with the commercial register, all contracts and businesses conducted by the founders for the company's account shall be transferred to the Company, and the Company shall bear all the expenses incurred for the sake of establishing the company.
3. If the Company's incorporation procedures are not duly satisfied as set out in the Law, the persons executing deals or acting in the name, or on behalf, of the company shall be held personally jointly liable vis-à-vis the third parties for the actions and practices conducted by them during the incorporation period.

Article [10]

Objects of the Company

The company shall carry on its business activities only after both it is registered in the commercial register and necessary relevant licenses are obtained from the competent authorities, if any.

Article [11]

Partners' Agreement and Family Charter

1. The founders, partners or shareholders may - whether during the incorporation period of the company or after the completion of the incorporation procedures - perform the following acts:

A. Enter into an agreement that regulates their relationship with each other or with the company, including the mechanism for the engagement of legal heirs, whether in person or through a company to be established among themselves for such a purpose;

B. Enter into a Family Charter that regulates the family's ownership in the company and its governance, management, business policy, family employment policy, distribution of dividends, disposition of equity stake or shares, dispute settlement mechanism and other relevant matters.

2. The family agreement or charter shall be binding, include anything that goes against the provisions of the Law, Memorandum or Articles of Association of the Company.

Article [12]

Data to be Included in the Company's Documents

The following data shall be included in the contracts, clearances deeds and other documents issued by the company:

A. The Company's name, legal form, address, headquarters, e-mail - if any - and registration number with the commercial register;

B. The company's capital and the paid-up amount thereof, except for the General Partnership and the Limited Partnership; and

C. The phrase [under liquidation] shall be suffixed to the company's name throughout the liquidation period.

Article [13]

Partner's or Shareholder's Contribution

1. The partner or shareholder may provide a cash contribution or in-kind contributions or a combination of both.

2. Except for the Joint Stock Company and the Simple Joint Stock Company, the partner's contribution may be a particular service against a profit share, the amount of

which shall be determined by the company's Memorandum of Association. However, his contribution may not be his own reputation or influence.

3. Only the cash and in-kind contribution shall make up the company's capital.

4. The founders, partners or shareholders may provide allow any person to have capital shares or contribution against performing particular work or services that are beneficial to the company and help achieve its objectives, without prejudice to the provisions of the Law.

Article [14]
Providing the Contribution

1. If the contribution provided by any partner or shareholder takes the form of an ownership interest, beneficial interest or any other right in-rem, the same shall be held liable – according to the provisions of the sale agreement – for warranting the contribution provided thereby in the event that such contribution ceases to exist, and shall also provide warranty against disturbance of possession, attornment or any defect or deficiency in such a contribution. If the contribution provided involves only beneficial interest of a personal right over the property, the provisions of the lease agreement shall apply to the relevant matters, unless otherwise agreed.

2. If the partner provides a contribution in the form of service, the same shall perform the duties assigned thereto, and each gain arising from such a service shall be the property of the Company, while the partner concerned may not perform such a service for his own benefit. The partners shall not, however, be under an obligation to provide to the company the intellectual property rights arising from such a service, unless otherwise agreed.

Article [15]
Delayed Provision of Contribution

1. Each partner shall be indebted to the company with the value of contribution undertaken by him.

2. If any partner fails to timely provide his capital contribution, the company may either demand that such a partner fulfills its obligations vis-à-vis the Company or suspend the effectiveness of the rights associated with his capital contributions, such as the right to receive dividends or to vote in the General Assembly Meetings or on the partners' resolutions. In all cases, the Company shall reserve the right to make a claim against the defaulting partner for the damage sustained as a result of such default.

Chapter II: Finance of the Company

Article [16]

Fiscal Year of the Company

Fiscal year of the company shall be [twelve] months to be defined in the Memorandum or Articles of Association thereof. However, the first fiscal year may be a period of not less than [six] calendar months and not exceeding [eighteen] months, starting from the registration date of the company in the commercial register.

Article [17]

Accounting Records and Financial Statements

1. The company shall keep the accounting records and supporting documents that demonstrate its business activities, contracts and financial statements, at the company's headquarters or elsewhere as decided by the company's Manager or Board of Directors.

2. At the end of each fiscal year, the Company's financial statements shall be prepared according to the generally accepted accounting standards in the Kingdom. Such statements shall be submitted in accordance as described in the Regulations within [six] months following the date of the end of the fiscal year, in accordance with the provisions set forth in the Law.

3. If the preparation of interim or annual financial statements requires that the controlling company or the company that owns equity stakes or shares in the capital of any other

company obtains information from the controlled company or the company whose equity stakes or shares are owned, the same shall provide such information as much as needed to enable the controlling or shareholding company to prepare its own financial statements according to the generally accepted accounting standards in the Kingdom.

4. The CMA may set up a mechanism that regulates the submission by joint stock companies listed on the Capital Market of the information referred to in Paragraph [3] of this Article.

Article [18]

Appointment, Dismissal and Resignation of the Company's Auditor

1. The company shall have one [or more] auditors from among the auditors duly licensed to operate in the Kingdom. The auditor shall be appointed and its remuneration, term of office and duties shall be determined by the partners, the General Assembly or the shareholders, as the case may be, and may be re-appointed. The Regulations shall determine the maximum term of office of the individual auditor or the auditing company and the latter's partner supervising the audit process.

2. The partners, the General Assembly or the shareholders may, as the case may be, dismiss the auditor, without prejudice to the latter's right to be compensated for the damage sustained, if applicable. The Company's Manager or Chairman of the Board of Directors shall notify the Competent Authority of the dismissal decision and its underlying reasons, not later than [five] days following the date of issuance of the decision.

3. The auditor may resign by virtue of a written notice to be communicated to the company, and its mission shall come to an end either on the submission date of the notice or at a later date to be indicated in the notice, without prejudice to the company's right to be compensated for the damage sustained thereby, if applicable. The resigning auditor shall submit to both the company and the Competent Authority - when submitting the notice - a statement of the reasons for his resignation. The Company's Manager or Board of Directors shall call the partners or shareholders to a meeting or shall

convoke the General Assembly to convene - as the case may be - to consider the reasons for resignation and to appoint a substitute auditor.

Article [19]

Non-applicability of Auditor Appointment Requirement

1. The micro-and-small-sized enterprises shall be relieved of the requirement relating to the compulsory appointment of an auditor as described in Article [18] of the Law, except for the following micro-and-small-sized enterprises:
A. The enterprises, whose Memorandum or Articles of Association, provides otherwise;

B. The enterprises that are listed on the Capital Market;

C. The enterprises that issue debt instruments, negotiable Sukuk, preferred shares or redeemable shares;

D. The enterprises in which an auditor is compulsorily required to be appointed in accordance with the relevant laws.

E. Foreign enterprises; and

F. The enterprise that is holding or is a subsidiary of any other company, unless the description of a micro-or-small-sized enterprise applies to all such enterprises.

For the purposes of applying this paragraph, the Regulations shall determine the criteria based upon which an enterprise may be classified as a micro-or-small-sized enterprise.

2. In order for Paragraph [1] of this Article to be applicable, the enterprise shall necessarily be classified as a micro-or-small-sized enterprise either during the first fiscal year following the date of its registration with the commercial register or during two consecutive fiscal years.

3. Any partner[s] or shareholder[s], holding at least ten percent [10%] of the equity stakes or voting shares of the company to which Paragraph [1] of this Article applies, shall, in writing, request that the Company appoint an auditor in accordance with the controls set forth in the Regulations.

4. The requirement set forth in Article [18] of the Law on the compulsory appointment of auditor shall apply to General Partnership only in the following cases:
A. If all the partners are legal persons operating under any legal form other than that of the General Partnership;

B. If all the partners are legal persons operating under the legal form of General Partnership and the partners therein are legal persons operating under any legal form of companies other than the General Partnership; or

C. If the company's Memorandum of Association provides for auditor appointment.

Article [20]
Obligations of the Company's Auditor

1. The company's auditor shall be independent in accordance with the professional standards applicable in the Kingdom.

2. The auditor shall neither combine his position as an auditor with any role as a co-founder of the company whose accounts are being audited, nor assume any position in the management or Board of Directors of such a company. Likewise, the auditor may not be a partner, employee or relative of any of the company's founders, managers or directors, and may not buy or sell equity stakes or shares in the company whose accounts are audited by him during the auditing period.

3. The company's auditor shall not perform any technical, administrative or advisory jobs at, or for the benefit of, the company whose accounts are being audited, except as set forth in the Regulations.

4. The auditor may, at any time, review the company's documents, accounting records and supporting documents, and may request any data and clarifications he deems necessary to verify the company's assets and liabilities and to handle other matters that fall within the scope of his position. In addition, the Company's Manager or Board of Directors shall enable the auditor to perform its duties. If the auditor encounters any difficulty in this regard, the auditor shall record the same in a report to be submitted to the Manager or Board of Directors. If the Manager or Board of Directors fails to enable the auditor to perform its duty, the latter shall request that the partners or shareholders be called to a meeting or that the General Assembly be convoked - as the case may be - to consider such a matter. In addition, the auditor may convoke such a meeting if the Manager or Board of Directors fails to do the same within [thirty] days following the date of the auditor's request.

5. The auditor shall submit to the Partners, the General Assembly at its annual meeting, or the shareholders a report on the company's financial statements. Such a report shall be drawn up in accordance with the auditing standards applicable in the Kingdom, shall indicate the position of the company's management with regard to enabling the auditor to obtain the data and clarifications requested, the details of any violations of the provisions of the Law, the company's Memorandum or Articles of Association as detected by the auditor within the scope of his competence, and the auditor's viewpoint on the fairness of the company's financial statements. The auditor shall either read out its report or provide a summary thereof at the annual General Assembly Meeting, or present

the report by circulation, as the case may be, in accordance with the provisions of the Law.

6. The auditor shall not disclose the confidential information, which comes to his knowledge in the course of performing its professional duties, to the partners or shareholders outside the meetings of the General Assembly or to third parties. Otherwise, the company may seek compensation from the auditor in addition to having the right to dismiss the same.

7. The auditor shall be liable for the contents of its report and for any damage that may befall the company or its partners or shareholders or third parties due to the errors committed by the auditor in the course of performing its duties. If the company has more than one auditor, they all shall be jointly liable, except for those who prove that they have not contributed to the error that gives rise to such liability.

Article [21]
Oversight of Company's Accounts

The partners and shareholders shall have the right to monitor the company's accounts in accordance with the provisions set forth in the Law and the company's Memorandum or Articles of Association.

Article [22]
Distribution of Profits

1. Annual or interim profits shall be distributed from distributable profits to the partners or shareholders of Joint Stock, Simple Joint Stock and Limited Liability Companies.

2. If profits are distributed to partners or shareholders in violation of the provision of Paragraph [1] of this Article, the company's creditors may claim a refund of the same, and the company may request that each partner or shareholder - even if acting in good faith – to refund any profits so received.

3. No partner or shareholder shall be required to refund the profits received in accordance with the provisions of Paragraph [1] of this Article, even if the company sustains losses in the subsequent periods.

4. The Regulations shall specify the controls necessary to perform the provisions of this Article.

Article [23]
Profit and Loss Sharing

1. All partners or shareholders shall have a share in the profits and losses pro rata their respective capital contributions. If, however, they agree that any of them shall be denied profits or relieved of losses, such agreement shall be null and void. However, the partners

may agree under the company's Memorandum of Association that they shall have unequal profit and loss shares.

2. Any partner, whose only contribution is his service, may be relived of bearing a loss share, provided that no remuneration has been assigned for him against his service.

Article [24]
Profit and Loss Share of Service-Contributing Partner

If the partner's only contribution is his service, and the Company's Memorandum of Association does not determine his profit or loss share, his share shall be the same as the share of the partner making the lowest capital contribution. If the partner provides – in addition to his service - a cash or in-kind contribution, he shall be entitled to a profit or loss share for his service contribution in addition to another profit or loss share for his cash or in-kind contribution.

Article [25]
Transfer of Equity Stakes and Trading of Shares

1. The ownership of equity stakes in the General Partnership, the Limited Partnership and the Limited Liability Company shall be transferred based on registration with the commercial register, so that the transfer of equity stakes shall become effective vis-à-vis the company or third parties only as of the date of such registration.

2. The shares of the Joint Stock Company that is not listed on the Capital Market and Simple Joint Stock Company shall be traded by being recorded in the shareholders' register referred to in Article [112] of the Law, so that the transfer of ownership of the share shall become effective vis-à-vis the company or third parties only as of the date of such registration.

3. The shares of the Joint Stock Company listed on the Capital Market shall be traded in accordance with the provisions of the Capital Market Law and its Executive Regulations.

Chapter III: Management of the Company

Article [26]

Duty of Care and Loyalty

The manager or board member of the company shall comply with the duties of care and loyalty, particularly the following duties:

A. Exercise his duties within the limits of the powers vested in him;
B. Exert extensive efforts to serve the interest of the company and promote its success;
C. Make or vote on decisions independently;
D. Exercise due diligence and care principles that are reasonably expected from a Manager or Board Member;
E. Avoid situations involving conflict of interest;
F. Disclose the information about interest he has, directly or indirectly, in the business transactions and contracts executed on behalf of the company; and
G. Not accept any benefit granted to him by third parties in relation to his position in the company.
The Regulations shall determine the provisions in relation to this Article.

Article [27]

Conflict of Interest, Competition and Exploitation of Assets

1. Neither the company's manager nor its board member may have direct or indirect personal interest in the business activities and contracts executed on behalf of the Company, without obtaining the approval of the partners, General Assembly or shareholders or any person[s] authorized by them.

2. Neither the company's manager nor its board member may get involved in any activity that would give rise to a competition against the company, nor be engaged in a competition against the Company in any of the areas of activity that the Company practices, without obtaining the approval of the partners, General Assembly or shareholders or any person[s] authorized by them.

3. Neither the Company's Manager nor its board member may take advantage of the company's assets, information or investment opportunities presented to him in his capacity as a manager or board member, or those opportunities or information presented to the company, for the sake of achieving direct or indirect personal interest.

4. The Regulations shall determine the controls required to implement the obligations set forth in the Paragraphs [1], [2] and [3] of this Article.

5. The provision of Paragraph [1] of this Article shall not apply to the following cases:
a. Business activities and contracts carried out in accordance with an open competition;
b. Business activities and contracts performed with the aim of meeting personal needs, if they are carried out under the same terms and conditions typically adopted by the company when dealing with all clients and contractors and are within the company's ordinary course of business; or

c. Any other business or contracts to be determined by the Regulations in a manner that does not conflict with the interest of the company.

6. In the event that the company's manager or board member is in violation of the provisions of Paragraph [1] of this Article, the Company may file a claim with the competent judicial bodies for invalidating the contract and compelling the manager or board member concerned to pay compensation for any gain or benefit earned by him as a result of such a violation.

7. In the event that the company's manager or board member is in violation of the provisions of Paragraph [2] of this Article, the Company may file a claim with the competent judicial bodies against the same for fair compensation.

Article [28]

Liability of the Management

1. The Company's manager and board members shall be held jointly liable for compensating the Company or its partners or shareholders or third parties for the damage sustained as a result of their violation of the provisions of the Law or of the company's Memorandum or Articles of Association, or due to any act of negligence, fault or failure to properly perform their duties, and any condition that stipulates otherwise shall be deemed null and void.

2. Liability shall be either personal - affecting a particular manager or board member - or jointly shared by all managers or board members if the underlying resolution has been

issued by their unanimous consent. However, dissenting managers or board members shall not be held liable for resolutions issued by way of majority vote, provided that they have explicitly expressed and recorded their objection in the Minutes of Meeting. Failure to attend the meeting at which the resolution is issued shall not be deemed a ground for relief of liability, unless it is established that the absent manager or board member has been either unaware of the resolution or unable to object to such resolution after being made aware thereof.

3. The company may provide insurance coverage to its manager or board member throughout the term of his office or membership tenure, against any liability or claim arising out of his professional capacity.

Article [29]

Liability Lawsuit by the Company and Partner or Shareholder

1. The Company may institute a liability lawsuit against the manager or board members on the grounds of their violation of the provisions of the law or the company's Memorandum or Articles of Association, or due to their mistakes, negligence or faults that cause damage to the Company. In which case, the partners, the General Assembly or the shareholders shall decide the institution of such a lawsuit and shall appoint a representative to act on behalf of the Company in respect thereof. In case the company is undergoing the liquidation process, the liability lawsuit shall be instituted by the liquidator. In case any liquidation proceedings are instituted against the Company in accordance with the Bankruptcy Law, this lawsuit shall be instituted by the duly-authorized representative.

2. Unless the company's Memorandum or Articles of Association provides for a lower percentage, the partner[s] or shareholder[s] representing [5%] of the company's capital may institute the liability lawsuit on behalf of the Company in the event that the company fails to institute the same, taking into account that the ultimate goal of instituting the lawsuit is to achieve the interests of the company. In addition, the lawsuit shall be well-grounded, and the Plaintiff shall be a partner or shareholder in the company at the time of instituting the lawsuit and is acting in good faith.

3. Before the lawsuit referred to in Paragraph [2] of this Article being instituted, the company's manager or board members, as the case may be, shall be notified, at least [fourteen] days in advance, of the desire to institute the same.

4. Any partner or shareholder may institute a personal liability lawsuit against the manager or board members if the fault made by them has caused harm to his private interests.

Article [30]

Inadmissibility of the Lawsuit

1. The approval of the partners, the General Assembly or the shareholders – as the case may be – to discharge the manager or board members shall not preclude the institution of lawsuits in accordance with Article [29] of the Law.

2. Except for fraud and forgery cases, the liability lawsuit shall become inadmissible after the lapse of [five] years following the end date of the fiscal year of the company during which the wrongful act has been committed or [three] years following the termination date of the service of the manager or the membership of the board member in the relevant Board of Directors, whichever is later.

Article [31]

Decision Evaluation Rule

The company's manager or board member shall be deemed to have fulfilled his duty with regard to the decision he has made or voted on in good faith, whenever the following requirements are satisfied:

a. If he has no personal interest in the matter of the decision.

b. If he becomes aware of the matter of the decision to an appropriate extent based on the surrounding circumstances, according to his reasonable knowledge and belief.

c. If he is completely and rationally convinced that the decision would serve the interests of the company.

The burden of proving otherwise shall be assumed by the Plaintiff. For the purposes of this article, the decision shall mean any act or omission on a matter relating to the company's business.

Article [32]

Costs of Instituting Liability Lawsuit

The competent Judicial Body may, at the request of the partner or shareholder, require the company to bear the expenses incurred by the partner or shareholder for instituting a liability lawsuit, no matter what its outcome may be, if the lawsuit has been instituted in good faith and is beneficial to the interest of the company.

Article [33]

Enforcement Against the Profits of Partner or Shareholder

The personal creditor of a partner or shareholder may apply to the competent judicial body to claim its right from the share of the indebted partner or shareholder in the net profits distributed. If the company is dissolved, the creditor's right shall pass on to the share of its debtor in the surplus funds after the company's debts are paid off.

Article [34]

Enforcement Against Shares and Equity Stakes

Subject to the provisions of the Movable Assets Security Law and other relevant laws, the personal creditor of a partner or shareholder may - in addition to the rights referred to in Article [33] of the Law – apply to the Competent Judicial Body requesting that:

a. The necessary equity stakes of such a partner be sold, so that the creditor would be able to collect its right from the sale proceeds. In which case, the remaining partners shall have the right to redeem such stakes in accordance with the provisions of the Law.

b. The necessary number of shares of such a shareholder be sold, so that the creditor would be able to collect its right from the sale proceeds. Shareholders of the Joint Stock Company unlisted on the Capital Market and of the Simple Joint Stock Company shall have the priority to purchase such shares within [fifteen] days following the date of being offered for sale, if the company's Articles of Association so provide.

Part II: General Partnership

Chapter I: General Provisions

Article [35]

Definition of the General Partnership

1. The General Partnership is a business venture established by two or more natural or legal persons, so that they become personally and jointly liable for the company's debts and obligations. The partner of a General Partnership shall acquire the capacity of a trader.

Chapter II: Incorporation of the General Partnership

Article [36]

Details of the Memorandum of Association

The Memorandum of Association of the General Partnership shall, in particular, include the following details:

a. Partners' names and particulars;

b. The company's name;

c. The company's headquarters;

d. The Company's objects;

e. The Company's capital and method of dividing the same among partners, and an in-depth description of the capital contribution undertaken to be provided by each partner and its due date;

f. The company's term, if any.

g. The management of the company;

h. Partners' resolutions and the quorum required for their issuance;

i. The method of distributing the profits and losses among the partners;

j. Details of commencement and end dates of the fiscal year;

k. The termination of the company; and

l. Any other provisions, conditions or data, which the partners agree to include in the company's Memorandum of Associations, and which do not conflict with the provisions of the Law.

Chapter III: Management of General Partnership

Article [37]

Powers of the Management

1. The General Partnership shall be managed by the partners thereof, and the legal person shall designate its representative in the management. Under the Memorandum of Association or an independent contract of the General Partnership, the parties may agree upon the appointment of one or more managers from among the partners or others.

2. If there are several managers, whether partners or not - without the powers of each of them being specified and without stipulating that none of them may assume the management individually, each of them may carry out any of the management duties individually, while the remaining partners shall have the right to object to any of such duties before it becomes effective vis-à-vis third parties. In which case, the opinion of partners' majority shall prevail. If the opinions are equal in number, the matter shall be escalated to the partners to adopt a resolution with regard thereto in accordance with Article [38] of the Law.

3. The manager[s] shall perform all management activities that fall within the purpose of the company, and shall represent it before the courts, arbitral tribunals and third parties, unless the company's Memorandum of Association explicitly restricts their powers. In all cases, the company shall be liable for every act carried out by the manager thereof in its name and within the limits of its purpose, unless the person, with whom the manager deals, has been acting in bad faith.

Article [38]

Resolutions of Partners

Resolutions of partners shall be adopted with the numerical majority of their opinions, unless the resolution in question is relating to the amendment of the General Partnership's Memorandum of Association, as, in the latter case, it shall be adopted with the unanimous consent of all partners, unless otherwise stipulated in the Memorandum of Association.

Article [39]

Prohibited Acts of the Manager

1. The Manager shall be prohibited from handling business activities that go beyond the Company's objects, without a resolution of the partners or an explicit provision in the Memorandum of Association. This prohibition shall apply, in particular, to the following matters:

a. Establishment or closing down of the Company's branches;

b. Donations, except for the usual small donations;

c. The Company's sponsorship of third parties;

d. Reaching an agreement on the Company's rights;

e. Sale or mortgage of the Company's real property, unless the sale transaction falls within the objects of the company;

f. Sale or mortgage of the company's business premises [store]; and

f. Borrowing funds on behalf of the Company;

Article [40]

Competing Against the Company

No partner may, without obtaining the consent of all partners, get involved, for his own benefit or for the benefit of third parties, in activities similar to that of the company, nor to be a partner, manager or board member of a competing company, or an owner of shares or equity stakes representing an influential interest in another company that engages in the same business activity. If the partner fails to abide by this prohibition, the company shall have the right to request that the Competent Judicial Body decide that the actions carried out by the partner concerned for his own benefit as being performed for the company's benefit, and, in addition, the company may claim compensation from him.

Article [41]

Powers of Non-Managing Partner

Any non-managing partner may not get involved in the management of the company. However, the non-managing partner, or his representative, may, during the fiscal year, twice review the progress of the company's business, examine its records and

documents, obtain a brief statement on the company's financial position based on such records and documents, in addition to submitting recommendations to the company's manager, while any agreement that stipulates otherwise shall be deemed null and void.

Article [42]

Removal of the Manager

1. Unless the company's Memorandum of Association stipulates otherwise, if the manager is a partner who is appointed under the company's Memorandum of Association, he may only be removed by a decision to be unanimously issued by the other partners. If he is appointed under an independent contract, he may be removed by a decision to be issued by the numerical majority of the partners.

2. If the manager is not a partner, whether appointed under the company's Memorandum of Association or under an independent contract, he may be removed by a decision to be issued by the numerical majority of the partners.

3. Based on a final judgment by the Competent Judicial Body, the manager appointed under the company's Memorandum of Association or under an independent contract, whether a partner or not, may be removed from the company.

4. The manager's removal shall not result in the dissolution of the company, unless the company's Memorandum of Association stipulates the same.

Article [43]

Retirement of the Manager

1. The company's manager, whether a partner or not, may retire from the management, provided that all partners are informed of such retirement in writing at least [sixty] days prior to the effective date of retirement, unless the Memorandum of Association or the independent employment contract of the manager stipulates otherwise. Failing which, the manager shall be liable to compensate the company for the damage sustained as a result of his retirement.

2. The manager's retirement shall not result in the dissolution of the company, unless the company's Memorandum of Association stipulates the same.

Chapter IV: General Partnership's Equity Stakes and Partners

Article [44]

Partners' Equity Stakes and their Assignment

1. The equity stakes of partners shall not be represented by negotiable Sukuk.
2. The partner may assign his equity stake or part thereof only in compliance with the restrictions stipulated in the Memorandum of Association or based upon the approval of all partners. Every agreement that permits the assignment of equity stakes without restrictions or the partners' approval shall be deemed null and void. In addition, the assignment shall be registered with the commercial register.
3. The partner may assign to third parties any rights relating to his equity stake, and such assignment shall become legally effective only between the parties involved.

Article [45]

Partner's Joining, Withdrawal, Removal Or Assignment

1. If a partner joins the General Partnership based on a new contribution, he shall be held personally and jointly liable with the remaining partners in all his own property for the General Partnership's debts both preceding and subsequent to his joining. However, an agreement may be made to relieve him of the liability for the former debts by unanimous agreement of the partners. Such agreement shall become effective vis-à-vis the creditors following the date of being recorded with the commercial register.
2. If a partner withdraws or is removed from the company, he shall not be liable for the debts and obligations arising after his withdrawal or removal takes place, but shall remain liable for the debts and obligations arising prior to any of such cases, unless he is relieved of the same based on the consent of the creditors and all partners of company.

3. If a partner assigns his equity stake, the assignee shall be liable vis-à-vis the company's creditors for its debts both preceding and subsequent to his joining. The assignor shall not be liable for the debts vis-à-vis the creditors of the company unless they object to his relief of liability within [thirty] days following the date of the company's notification to them. In

the event of an objection, the assignor shall be jointly liable for the debts arising prior to his assignment.

Article [46]

Withdrawal and Removal Procedures

1. Unless the Company's Memorandum of Association provides otherwise, the partner may withdraw from the company unilaterally, provided that the other partners are notified of the same at least [sixty] days prior to the scheduled date of withdrawal.

2. The partners may agree, under the Memorandum of Association, on the procedures for removing the partners from the company, and in case the Memorandum of Association does not include any provisions to that effect, the numerical majority of partners may resort to the Competent Judicial Body for removing one or more partners from the company if there are lawful reasons so requiring. In addition, the company shall continue to practice its business activities by the remaining partners.

3. The partner withdrawing from the company, or the rest of the partners in the event of a partner being removed, shall get the same registered with the commercial register. Withdrawal or removal shall become effective vis-à-vis the third parties following the date of its registration and publication.

4. The Competent Judicial Body may, upon the request of one or more partners, order that the company be dissolved in the event that its continuation is an impossible matter for the partners.

Article [47]

Partner's Profit and Loss Share

1. Unless the company's MOA provides special provisions for profit and loss, the profits and losses and the share of each partner shall be determined at the end of the company's fiscal year based on financial statements prepared in accordance with the accounting standards applicable in the Kingdom. In addition, each partner shall be considered a creditor of the company based on his profit share as soon as such a share is determined.

2. Any reduction in the company's capital due to losses shall be replenished from the profits of subsequent years. Other than that, the partner shall not be required to replenish the reduction in his capital contribution due to losses without his consent.

Article [48]

Enforcement Against the Partner's Funds

1. The partner may be required to pay off any debt of the company from his own property only after such a debt is proven to be owed by the company by virtue of a final court judgment or a writ of execution, and after a notice for payment is served upon the company but the debt cannot be collected from it.

2. The partner may, upon paying off the company's debt, have a recourse against the remaining partners pro rata the debt amount paid by him against the share of each of them.

Article [49]

Valuation of Partner's Equity Stake

1. Unless the value of equity stakes is agreed upon or the company's MOA determines the method of its valuation, the partner's equity stake in the company shall be valuated in the event that the partner withdraws or is removed from the company, any liquidation proceedings are initiated against the partner in accordance with the Bankruptcy Law, or when the partner dies and his heirs are not willing to join the company, according to a valuation report to be prepared by one or more accredited valuators, indicating the fair value of the partner's equity stake on the date of the underlying incident. Afterwards, neither the partner nor his heirs shall have a share in the rights arising thereafter except insofar as any such rights are arising from business transactions taking place prior to the underlying incident.

2. Unless the company's Memorandum of Association stipulates a method for valuation of the partner's equity stake upon assignment thereof, the partner's equity stake shall be valuated according to the value agreed upon between the assignor and the assignee,

Chapter V: Termination of the General Partnership

Article [50]

Cases of Termination

1. Unless the company's Memorandum of Association provides otherwise, the General Partnership shall not be terminated when any partner passes away or undergoes interdiction, when any liquidation proceedings are initiated against him according to the bankruptcy law, or when the partner withdraws or is removed from the General Partnership. In which case, the company shall continue to exist among the remaining partners, and the aforementioned partner or his heirs shall only have his share in the company's property, and such a share shall be valuated in accordance with Article [49] of the Law.

2. The company's MOA may stipulate that in the event of death of a partner, the company shall continue to exist among the wishing heirs of the dead partner, even if they are minors or legally prohibited from engaging in business activities. However, the heirs of the dead partner who are minors or legally prohibited from engaging in business activities shall be liable for the General Partnership's debts in the event of its continuation only within the limits of the share of each of them in the equity stake of the dead partner in the General Partnership's capital. In which case, the General Partnership shall be converted, not later than [one year] following the date of death of their Legator, into a Limited Partnership in which the heir, who is either minor or prohibited from engaging in business activities, shall become a silent partner. Otherwise, the General Partnership shall be deemed terminated by operation of law upon the lapse of such a time limit, unless either the minor person attains – within such a period - the legal age of majority, or the reason behind the prohibition from practicing the business activities ceases to exist, and the minor or the person prohibited from engaging in the business activities has a desire to be an active partner.

3. If, when any partner passes away or undergoes interdiction, when any liquidation proceedings are initiated against him according to the bankruptcy law, or when the partner withdraws or is removed from the General Partnership, there is a single partner left behind in the General Partnership, such a surviving partner shall be granted a time

limit of ninety [90] days to adjust the company's affairs, either by engaging a new partner or by getting the General Partnership converted into any other legal form in accordance with the provisions of the Law; otherwise, the company shall be deemed terminated by operation of law upon the lapse of such a time limit.

Part III: Limited Partnership

Chapter I: General Provisions

Article [51]

Definition of Limited Partnership

1. The Limited Partnership is a business venture made up of two teams of partners; a team that comprises at least one natural or legal partner who is held personally and jointly liable in all his own property for the Limited Partnership's debts and liabilities, and a second team that comprises at least one natural or legal Silent Partner who is held liable for the Limited Partnership's debts and liabilities only within the limits of his contribution to the Limited Partnership's capital. The Silent Partner shall not acquire the capacity of a trader.

2. The Active Partners of a Limited Partnership shall be subject to the same provisions applicable to partners of the General Partnership.

3. The provisions of General Partnership shall also apply to the Limited Partnership where no specific provision is stipulated in this Part.

Chapter II: Incorporation of Limited Partnership

Article [52]

Data of the Memorandum of Association

The Memorandum of Association of the Limited Partnership shall, in particular, include the following details:

a. Name and data of the partners;

b. Name of the company;

c. Headquarters of the company;

d. The Company's objects;

e. The Company's capital, the method of dividing the same among partners and an in-depth description of the capital contribution undertaken to be provided by each partner and its due date;
f. The company's term, if any;
g. The management of the company;
h. Partners' resolutions and the quorum required for their issuance;
i. The method of dividing the profits and losses among partners;
j. Details of commencement and end dates of the fiscal year;
k. The termination of the company; and
l. Any other provisions, conditions or data the partners agree to be included in the company's Memorandum of Associations and which do not conflict with the provisions of the Law.

Chapter III: Partners of Limited Partnership

Article [53]

Powers of Silent Partner

1. The Silent Partner – or his representative - may, during the fiscal year, twice review the progress of the company's business, examine its records and documents, and obtain a brief statement on the company's financial position based on such records and documents.

2. The Silent Partner may not get involved in the external management activities, even if based on a power of attorney. If, however, the Silent Partner gets involved, the same shall be held personally and jointly liable in all his own property for the Limited Partnership's debts and liabilities arising from his involvement. However, the Silent Partner may get involved in the internal management activities in accordance with the provisions of its Memorandum of Association, and such involvement shall not give rise to any obligation on his / her part unless the activities performed by him / her would cause Third Parties to believe that he / she is an Active Partner. In which case, the Silent Partner shall be deemed – vis-à-vis such Third Parties - personally and jointly liable in all his / her own property for the Limited Partnership's debts and liabilities.

Article [54]

General Assembly of Limited Partnership

The Silent and Active Partners may agree under the company's MOA that the company shall have a General Assembly, and, in which case, they shall determine its competences and the procedures for its convention.

Article [55]

Resolutions of Partners

1. Unless the company's MOA stipulate otherwise, the partners' resolutions shall be issued as follows:

a. Resolutions in connection with the amendment of the Memorandum of Association: based on the unanimous consent of the Active Partners and the approval of the owners of majority of the capital of the Silent Partners.

b. Other resolutions: Based on the approval of the numerical majority of the Active Partners' opinions.

2. The Silent Partner may neither request dissolution of the company nor get involved in voting on matters relating to the appointment or dismissal of its Manager.

Article [56]

Assignment of Equity Stakes

1. The Silent Partner may assign all or part of his equity stakes to any of the other partners of the Limited Partnership.

2. The Silent Partner may assign all or party of his shares to a third party subject to prior approval of all the Active Partners and the owners of the majority of the capital of the Silent Partners, unless the Limited Partnership's MOA stipulates otherwise.

3. The Active Partner may assign all or part of his shares to a Silent Partner or to a third party in accordance with the provision of Paragraph [2] of this Article.

4. If the Silent Partner fails to provide his capital contribution on its due date before assigning the same, the assignee shall be responsible for providing such a contribution.

5. Active or Silent Partners may join the company subject to prior approval of all the Active Partners, with no need to obtain the approval of the Silent Partners, unless the Limited Partnership's MOA stipulates otherwise.

Chapter IV: Termination of Limited Partnership

Article [57]

Cases of Termination

The Limited Partnership shall not be terminated upon the death, interdiction or insolvency of any Silent Partner, nor upon the initiation of any bankruptcy proceedings against him according to the Bankruptcy Law, or in case of his withdrawal, unless the Limited Partnership's Memorandum of Association provides otherwise.

Part IV: Joint Stock Company

Chapter I: General Provisions

Article [58]

Definition of the Joint Stock Company

The Joint Stock Company is a business venture established by one or more natural or legal persons, and the capital of which is divided into negotiable shares. in addition, the Joint Stock Company shall be solely liable for the debts and obligations arising out of its business activities. The liability of the shareholder shall be limited to the payment of the value of the shares subscribed to.

Article [59]

Joint Stock Company's Capital

The Joint Stock Company's capital shall not be less than [five hundred thousand] riyals, and the paid-up amount thereof may not, upon incorporation, be less than one quarter of the value thereof.

Article [60]

Issued Capital and Authorized Capital

1. The Joint Stock Company shall have an issued capital representing the subscribed shares thereof. The Company's Articles of Association may determine an authorized capital for the company.

2. Based on a resolution of the company's Board of Directors, the issued capital may be increased within the limits of the authorized capital, provided that the issued capital has been paid in full.

Chapter II: Incorporation of the Joint Stock Company

Article [61]

Data of the Company's Articles of Association

1. The Articles of Association of the Joint Stock Company shall, in particular, include the following details:

a. Name of the company;

b. Headquarters of the company;

c. The Company's objects;

d. The company's authorized capital - if any - and the issued and paid-up amount thereof;

e. The number, classes and nominal value of shares as well as the rights relating to each class;

f. The company's term, if any.

g. The management of the company and the number of board members;

h. Details of commencement and end dates of the fiscal year; and

i. Any other provisions, conditions or data the founders or shareholders agree to be included in the company's Articles of Associations and which do not conflict with the provisions of the Law.

2. The following details shall be contained in the Articles of Association upon submitting an application for incorporation of the company:

a. The founders' names, addresses and nationalities;

b. Details of the expected activities and expenses for the incorporation of the company;

c. A declaration by the founders confirming that they have subscribed to all the issued shares of the company, and the value of the paid-up capital;
d. A certificate of crediting the paid-up amount of the issued capital with a bank duly licensed in the Kingdom;
e. A founders' resolution appointing both the members of the first Board of Directors, including their names, nationalities, addresses and dates of birth, and the first auditor, in cases where such appointments are required under the provisions of the Law, and if they have not been initially appointed under the Company's Articles of Association;

f. A declaration by the founders confirming that they shall comply with all the legal requirements relating to the company's incorporation; and

g. A report drawn up by one or more accredited valuators, indicating the fair value of the in-kind contributions, if any, as well as a declaration by the remaining founders approving the value of such contribution.

Article [62]

Subscription For Shares

If, during the incorporation stage, the founders do not announce that the subscription for all shares is restricted to themselves, they shall offer the unsubscribed shares for subscription in accordance with the Capital Market Law.

Article [63]

Subscription During the Incorporation Stage

The Ministry and the CMA shall both set up the rules and controls and determine the documents and approvals required for the incorporation of a Joint Stock Company whose shares are to be put for public offering during the incorporation stage or be listed on the Capital Market.

Article [64]

Crediting the Value of Shares

1. The paid-up value of subscribed shares shall be credited in the name of the under-incorporation Company with a bank duly licensed to operate in the KSA, and the same may be disposed of only by the Board of Directors after the company is registered with the commercial register.

2. If the company is not registered with the commercial register, the subscribers may recover the amounts they have paid, and the banks, in which subscription fees are paid, shall promptly refund the aforementioned amounts to each subscriber. The founders shall be jointly liable for the fulfillment of this obligation and for compensation, if necessary, vis-à-vis the subscribers. In addition, the founders shall bear all the costs incurred for the sake of incorporating the company, and shall be jointly liable vis-à-vis third parties for the actions and deems made by them during the incorporation period.

Article [65]

Registration of the Company with the Commercial Register

The Company shall be deemed validly incorporated after being registered with the Commercial Register, and, after that, any legal proceeding involving invalidity of the Company on the grounds of violation of the provisions of the Law or of the provisions of the Company's Articles of Association shall be inadmissible.

Article [66]

Valuation of In-kind contributions

If an in-kind contribution is provided upon incorporation of the company or upon increasing its capital, such a contribution shall be valuated by one or more accredited valuator. In addition, such a valuator shall draw up a report indicating the fair value of such a contribution. The aforementioned report shall be submitted to the founders or the Extraordinary General Assembly, as the case may be, for consideration. The providers of in-kind contributions shall have no right to vote on the resolution relating to the report drawn up on the valuation of such contribution. In the event that the founders or the General Assembly decides to reduce the specified value of the in-kind contributions, the approval of the providers of such contributions on such a reduction shall be obtained.

2. The intervening period between the issuance date of the accredited valuator's report indicating the fair value of the in-kind contributions and the issuance date of shares against such contributions shall not exceed the time limit to be specified in the Regulations.

Chapter III: Management of the Joint Stock Company

Section I: Board of Directors

Article [67]

Candidacy for Board Membership

1. The Joint Stock Company shall be managed by a Board of Directors comprising at least [three] members.

2. Each shareholder may either run as a candidate or nominate one or more shareholders or third parties for the membership of the Board of Directors of the Joint Stock Company.

Article [68]

Electing Board Members

1. The Ordinary General Assembly shall elect the members of the company's Board of Directors. In all cases, the members of the Board of Directors shall be natural persons.

2. The Regulations shall determine the method of voting for electing members of the Board of Directors.

3. The company's Articles of Association may specify the method of forming the Board of Directors in accordance with the controls prescribed by the Regulations.

4. Term of office of the board membership shall be specified in the Company's Articles of Association, and the same may not exceed [four] years. Members of the Board of Directors may be re-elected, unless the company's Articles of Association provide otherwise.

5. The company's Articles of Association shall indicate the mechanism of expiration of membership of the Board of Directors or termination of the same at the request of the Board of Directors. However, the Ordinary General Assembly may, at all times, dismiss all or any members of the Board of Directors even if the company's Articles of Association provide otherwise. In which case, the Ordinary General Assembly shall, as the case may be, elect new members of the Board of Directors in lieu of those dismissed, in accordance with the provisions of the Law. The Competent Authority shall set up the rules for dismissing the members of the Board of Directors by the Ordinary General Assembly.

Article [69]

Expiration of the Board's Term of Office or Resignation of Board Members

1. The Board of Directors shall convoke the Ordinary General Assembly sufficiently before the expiration of its term of office; for electing a new Board of Directors. If the election cannot be conducted and the existing Board's term of office has expired, the board members shall continue to perform their duties until a new board of directors is elected for a new term of office, provided that the continuation period of the members of the board whose term has expires shall not exceed the duration specified by the regulations.

2. If the chairman and members of the Board of Directors resign, they shall convoke the Ordinary General Assembly to elect a new Board. Furthermore, the resignation shall not take effect until the new Board is elected, provided that the continuation period of the resigning Board shall not exceed the duration specified by the Regulations.

3. Any member of the Board of Directors may resign from the Board under a written notice to be submitted to the Chairman of the Board. In the event that the Chairman of the Board resigns, the notice of resignation shall be submitted to the remaining members of the Board as well as the Secretary of the Board. The resignation shall be take effect - in both cases – as of the date specified in the notice.

4. Unless the Company's Articles of Association provide otherwise, if the position of any member of the Joint Stock Company's Board of Directors becomes vacant due to his resignation or death, and such vacancy does not result in a breach of the conditions

necessary for the validity of the Board's convention due to the number of its members being less than the minimum quorum stipulated in the Law or in the company's Articles of Association, the Board may appoint, on a temporary basis, a substitute member to occupy the vacant position, provided that such a substitute member has the expertise and competence required. In addition, the commercial register, as well as the CMA - if the company is listed on the Capital Market - shall both be notified of such appointment within [fifteen] days following the date of appointment, and such appointment shall also be presented to the Ordinary General Assembly at its first Meeting for approval. The new member shall complete the term of office of his predecessor.

5. If the necessary conditions for the validity of the meeting of the Board of Directors are not satisfied due to the fact that the number of its members is less than the minimum quorum stipulated in the Law or in the company's Articles of Association, the rest of the board members shall convoke the Ordinary General Assembly within [sixty] days to elect the required number of board members.

6. In the event that neither a Board of Directors is elected for a new term of office nor the required number of board members is appointed, in accordance with paragraphs [1], [2] and [5] of this Article, any stakeholder may request that the Competent Judicial Body appoint an appropriate number of the persons having sufficient expertise and competence to undertake the supervision of the company's management. In addition, such a stakeholder shall also call the General Assembly to convene within [ninety] days to elect a new Board of Directors or to complete the necessary number of board members, as the case may be, or request that the company be dissolved.

Article [70]

Termination of Membership of the Absent Member

The General Assembly may, upon the recommendation of the Board of Directors, terminate the membership of any Board member, who fails to attend [three] consecutive meetings or [five] intermittent meetings during the term of his membership without a lawful excuse admitted by the Board of Directors.

Article [71]

Disclosure of Interest in Business Transactions and Contracts

1. Subject to Article [27] of the Law, the board member shall, as soon as he becomes aware of any direct or indirect interest he may have in the business transactions and contracts made for the benefit of the company, notify the board of the same. Such notification shall be recorded in the minutes of the Board meeting when it convenes. Such a member may not take part in voting on the resolution to be issued in this regard by the Board and the General Assembly. In addition, the Board shall inform the General Assembly, when it convenes, of the business transactions and contracts in which the board member has a direct or indirect interest. Such notification shall be accompanied by a special report to be drawn up by the company's auditor in accordance with the auditing standards applicable in the Kingdom.

2. If any board member fails to disclose his interest referred to in Paragraph [1] of this Article, the company or any stakeholder may apply to the Competent Judicial Body for invalidating the contract or obligating the member concerned to compensate for any profit or benefit he has achieved from that situation.

3. Liability for the damage resulting from the business transactions and contracts referred to in Paragraph [1] of this Article shall fall upon both the member having an interest in the relevant transaction or contract, as well as the members of the Board of Directors when they fail to properly perform their obligations in violation of the provisions of such a paragraph, or if it is proven that such transactions and contracts are unfair, involve a conflict of interest and would inflict harm upon the shareholders.

4. Board members, who vote against any resolution, shall be relieved of liability when they explicitly express their objection in the minutes of the meeting. In addition, absence from the meeting at which the relevant resolution is issued shall not deemed an excuse for relief of liability, unless it is proven that the absent member has been either unaware of the resolution or unable to object thereto after being made aware thereof.

Article [72]

Providing Loans

1. The Joint Stock Company may neither provide a loan of any kind to any of its board members, nor provide any security or guarantees relating to a loan that is entered into by any of them with Third Parties. The same shall also apply to every loan, security or guarantee provided to any relative of the board member, and any loan provided in violation of this obligation shall be deemed null and void. The company shall have the right to claim compensation from the violator before the Competent Judicial Body for any damage that may be sustained thereby.

2. The provision of Paragraph [1] of this Article shall not apply to the following cases:
a. Banks and other financing companies; as it shall be permissible for them - within the limits of their objects and the according to rules and conditions governing their dealing with the public – to lend funds or open a credit balance in favor of any member of their Board of Directors or to act as a guarantor for any of them with regard to the loans entered into with Third Parties.

b. Loans and guarantees provided by the company in accordance with the employee incentive schemes that are approved in accordance with the provisions of the company's Articles of Association or under a resolution of the General Assembly.

3. The Competent Authority may determine the cases and controls under which the company may not provide a loan or loan-related security to any of its shareholders.

Article [73]

Supervision over the Board of Directors

The shareholder shall exercise supervision over the Board of Directors in accordance with the provisions of the Law. No shareholder may intervene in the activities of the Board of Directors or the activities of the executive management of the company unless he is a member of its Board of Directors or of its executive management, or unless his intervention is performed through the General Assembly and in accordance with the latter's competences.

Article [74]

Entering into Loans and Disposing of Company's Assets

The Board of Directors may enter into loans of whatever duration, sell or pledge the Company's assets, sell or mortgage the company's business premises, or discharge the company's debtors from their obligations, unless the company's Articles of Association or resolutions issued by the Ordinary General Assembly restrict the powers of the Board of Directors in this respect.

Article [75]

Sale of the Company's Assets

The Board of Directors shall be required to obtain the approval of the General Assembly with regard to the sale of company's assets whose value exceeds fifty percent [50%] of the value of its total assets, whether the sale takes place through one deal or several deals. In which case, the deal that would lead to exceeding [50%] of the value of the assets shall be deemed the one for which the approval of the General Assembly is required. Such a ratio shall be calculated as of the date of the first deal that takes place during the last [twelve months], but the Competent Authority may exclude certain activities and transactions from the provisions of this Article.

Article [76]

Remuneration of Board Members

1. The Company's Articles of Association shall determine the mechanism of paying remunerations to the Board members. Such a remuneration may take the form of payment of a certain sum of money, meeting attendance allowances, benefits in-kind, a net profit quota or a combination of two or more of such benefits. The company's Articles of Association may also determine the maximum limit of such remuneration.

The Ordinary General Assembly shall determine the remunerations of board members, which shall be fair, motivating and proportional to both the performance of the members and the company's performance. In addition, the Regulations shall set out the controls necessary to apply this paragraph.

2. The Board of Directors' report submitted to the General Assembly during its annual meeting shall include in-depth details of all remunerations, meeting attendance allowances, allowances for expenses and other benefits which the board members have received or entitled to during the fiscal year. It shall also include a description of payments made to the members of the Board of Directors in their capacity as employees or administrative personnel or in return for technical, administrative or consulting jobs performed by them. The report shall also include details of the number of board meetings as well as the number of meetings attended by each member.

Article [77]

Powers of the Board of Directors

1. Subject to the powers vested in the General Assembly, the Board of Directors shall have the broadest powers for managing the Company and achieving its objects, except for the activities or dispositions excluded under a specific provision in the Law or the company's Articles of Association and which fall within the scope of powers of the General Assembly. In addition, the Board may also, within the limits of its powers, authorize one or more of its members or from third parties to perform a particular task[s].
2. The company shall be liable for all actions and activities carried out by its Board of Directors in its name, even if they fall beyond the scope of the board's area of competence, unless the party so dealing is acting in bad faith or is aware that such actions fall beyond the scope of the Board's areas of competence.

Article [78]

Distribution of Powers of the Board of Directors

1. Subject to the company's Articles of Association, the Board of Directors of the Joint Stock Company shall, at its first meeting, appoint from among its members a Chairman of the Board, and may also appoint a managing member or a chief executive officer from among its members, and the company's Articles of Association shall determine their competences and powers.

2. The Board of Directors of the Joint Stock Company listed on the Capital Market shall, at its first meeting, appoint one of its members as a Deputy Chairman. The Deputy

Chairman may be appointed in the Joint Stock Company that is not listed on the Capital Market.

3. The Board of Directors of the Joint Stock Company shall appoint the CEO to be chosen from among its members or from third parties, and the Board shall determine his powers and remuneration, if the company's Articles of Association do not include provisions in this respect.

4. The Board of Directors of the Joint Stock Company shall appoint a secretary from among its members or from third parties, and shall determines his competence and remuneration if the Articles of Association are lacking any provisions in this respect.

5. The Board of Directors may remove the Chairman of the Board, the Deputy Chairman, the Managing Director, the Chief Executive Officer and / or the Secretary, however, such removal shall not result in their being deprived of their board membership.

Article [79]

Representation of the Company

1. Without prejudice to the powers of the Board of Directors set forth in the Law and the company's Articles of Association, the Board Chairman shall represent the Joint Stock Company before the judiciary, arbitration tribunals and third parties. In addition, the Articles of Association of the Joint Stock Company may provide that its Managing Director or CEO shall act as the representative of the Company, and either of them may authorize any third party to represent the Company.

2. The Board Chairman of the Joint Stock Company may delegate – based on a written resolution - any of his powers to other members of the Board or to third parties to carry out certain action or businesses activity, unless the company's Articles of Association provide otherwise.

3. The Deputy Chairman shall replace the Chairman when the latter is absent in cases where the Company has a Deputy Chairman.

Article [80]

Board Meetings

1. The Board of Directors of the Joint Stock Company shall meet at least [four] times a year at the call of its Chairman, in accordance with the circumstances set out in the Articles of Association of the Company, and the Competent Authority may amend the meeting threshold stipulated in this Article. The Board Chairman shall call the Board to hold a meeting whenever requested in writing by any member of the Board to discuss one or more topics.

2. The board meeting of the Joint Stock Company shall be valid only if attended by at least half of the board members [in person or by proxy], unless the Articles of Association stipulate a higher quorum.

3. Resolutions of the Joint Stock Company's board of directors shall be adopted by majority vote of the members present or represented at the meeting. When the votes are equal, the meeting chairperson shall have the casting vote, unless the company's Articles of Association provide otherwise.

4. The Board of Directors shall determine the venue for holding its meetings, and the same may be held using means of modern technology.

Article [81]

Delegation for Meeting Attendance and Validity of Board Resolutions

1. The board member of the Joint Stock Company may not delegate any third party to attend the meeting and vote on his behalf. As an exception, any board member may delegate any board member to act on his behalf if the same is stipulated in the company's Articles of Association, provided that the delegated member shall not have more than one representation.

2. The resolution of the Joint Stock Company's board of directors shall enter into force as of the date of its issuance, except for cases where the underlying resolution sets a different effective date or where particular circumstances occur.

Article [82]

Issuance of Resolutions on Urgent Matters

The Board of Directors of the Joint Stock Company may adopt resolutions on urgent matters through presenting the same to members by circulation, unless any of the board members requests - in writing – that the Board hold a meeting to consider any such resolutions. Such resolutions shall be issued with the approval of the majority of votes of board members, unless the company's Articles of Association provide for a higher ratio or number. In addition, such resolutions shall be presented to the Board at its first subsequent meeting to be recorded in the minutes of such a meeting.

Article [83]

Minutes of Board Meetings

1. The deliberations and resolutions of the Joint Stock Company's board meetings shall be recorded in minutes to be prepared by the Secretary and co-signed by the Chairman of the meeting, the board members present and the Secretary.

2. Such minutes shall be recorded in a special register to be co-signed by the Chairman of the Board of Directors and the Secretary.

3. The Company may use the means of modern technology for recording the meeting deliberations and resolutions and the minutes of meeting.

Section II: Shareholders' Meetings

Article [84]

Meeting of the General Assembly of Shareholders

1. The General Assembly of Shareholders shall be chaired by the chairman of the Board of Directors, the Deputy Chairman in case the chairman is absent, or any board member to be chosen by the Board in the event that the chairman and deputy chairman of the

Board are both absent. Failing which, the General Assembly shall be chaired by the board members or third parties to be chosen by the shareholders by voting.

2. Each shareholder shall have the right to attend the General Assembly Meeting even if the company's Articles of Association provide otherwise. In addition, the shareholder may delegate any other person, who is not a board member, to attend the General Assembly Meeting.
3. The General Assembly Meeting may be held and the shareholder may get involved in their deliberations and voting on their resolutions through the means of modern technology.

Article [85]

Functions of Extraordinary General Assembly

The Extraordinary General Assembly shall have the following functions:
1. Amending the company's Articles of Association, except for the following matters:
a. Depriving any shareholders of, or amending any of their, basic rights acquired as a result of their capacity as shareholders, taking into account the nature of the rights relating to the type or class of shares held by the shareholder, especially the following:
1. To receive a share in the profits decided to be distributed, whether such distribution is made as cash payment or through the issue of bonus shares to non-employees of the company and its subsidiaries.
2. To receive a share in the company's net assets upon liquidation.
3. To attend, get involved in the deliberations of, and vote on the resolutions of, the General Assembly Meetings.
4. To dispose of their own shares only in accordance with the provisions of the Law.
5. To request access to the Joint Stock Company's books and documents, monitor the activities of the Board of Directors, file a liability lawsuit against the board members, and challenge the validity of resolutions of General and Special General Meetings.

b. The amendments that are likely to increase the financial burdens of shareholders, unless all shareholders agree on the same.
2. To decide the continuation or dissolution of the company.

3. To approve the company's buyback of its own shares.

Article [86]

Extraordinary General Assembly's Issuance of Ordinary General Assembly's Resolutions

The Extraordinary General Assembly may - in addition to the powers vested therein in accordance with the Law - issue resolutions on the matters basically falling within the scope of competence of the Ordinary General Assembly, under the same terms and conditions prescribed for the Ordinary General Assembly.

Article [87]

Functions of Ordinary General Assembly

Except for the powers exclusively vested in the Extraordinary General Assembly, the Ordinary General Assembly shall have the authority over all matters in connection with the company, particularly the following:

a. To elect and remove the board members;

b. To appoint, determine the remuneration of, re-appoint and remove the auditor[s] of the company in accordance with the Law;

c. To review and discuss the board of directors' report;

d. To review and discuss the company's financial statements;

e. To discuss the auditor's report - if any – and make a decision thereon;

f. Decide on the proposals of the Board of Directors on the method of profit distribution; and

g. To create the company's reserves and determine their uses.

Article [88]

Ordinary General Assembly Meeting

1. The annual ordinary general assembly shall be held at least once within the [six] months following the end of the company's fiscal year. Other ordinary general Assembly meetings may also be convoked whenever needed.

2. The agenda of the annual ordinary general assembly meeting shall include the following items:
A. Reviewing and discussing the report of the Board of Directors for the fiscal year ended;

B. Examining and discussing the financial statements for the fiscal year ended;

C. Discussing the auditor's report for the fiscal year ended - if any - and making a decision thereon; and

D. Deciding on the proposals of the Board of Directors on the distribution of profits, if any.
3. The requirement of holding an annual ordinary general assembly meeting shall be fulfilled by both convening an extraordinary general assembly meeting within [six] months following the end of the company's fiscal year and the inclusion in its agenda of the items mentioned in paragraph [2] of this Article.

Article [89]

Amendment of Rights of Shareholder Categories

If the resolution of the General Assembly would involve amendment of the rights of a certain category of shareholders, the resolution in question shall become effective only if endorsed by the holders of the voting rights from among the shareholders concerned at a special meeting to be held in accordance with the provisions governing the convention of the extraordinary general assembly and issuance of its resolutions.

Article [90]

General and Special General Assembly

1. General and special general assembly meetings shall be held at the call of the Board of Directors, in accordance with the conditions set out in the company's Articles of Association. The Board of Directors shall convoke the Ordinary General Assembly within

[thirty] days following the date of being requested by the auditor or one or more shareholders representing at least [ten percent] of the voting shares of the company. In addition, the auditor may convoke the ordinary general assembly if the board fails to the call the meeting within [thirty] days of the date of being requested by the auditor.

2. The request referred to in Paragraph [1] of this Article shall indicate the items on which the shareholders are required to vote.

3. Based on a decision by the competent authority, the ordinary general assembly may be convoked in the following cases:
A. If the time limit set for the convention of the Ordinary General Assembly mentioned in Article [88.1] of the law has expired without the same being convened;

B. If there is evidence that the provisions of the law or of the company's Articles of Association have been violated, or that a defect has occurred in the company's management, including the circumstance where the number of members of the board of directors becomes less than the minimum quorum required for the validity of its convention; or

C. If the Board fails to convoke the Ordinary General Assembly within the time limit specified in Paragraph [1] of this Article following the date of being requested by the auditor or shareholder[s] representing at least [ten percent] of the company's voting shares.

The competent authority may take the necessary measures for holding the ordinary general assembly meeting, and may chair such a meeting in the event that the chairmanship mechanism described in Article [84.1] of the Law cannot be applied.

Article [91]

The Call for General Assembly Meeting

1. The call for general assembly meeting shall be sent at least [twenty-one] days prior to the scheduled meeting date, according to the controls set out in the regulations, taking into account the following:

A. The shareholders shall be informed by registered letters at their addresses mentioned in the shareholders' register, or the call for meeting shall be announced through the means of modern technology;

B. A copy of the call for meeting and agenda shall be sent to the commercial registration office, and a copy shall be sent to the CMA if the company is listed on the financial market on the date of announcing the call.

2. The call for general assembly meeting shall include at least the following details:

A. Details of the person legally entitled to attend the general assembly meeting and his / her right to delegate any third party from outside the members of the board of directors, as well as emphasizing the shareholder's right to discuss the topics listed on the general assembly meeting's agenda and to pose questions and how to exercise the right to vote;

B. The venue, date and time of the meeting;

C. The type of the general assembly meeting; i.e. general or special; and

D. The meeting agenda, including the items on which shareholders are required to vote.

3. Shareholders of an unlisted joint stock company, representing all the voting shares of the company, may hold a general assembly meeting regardless of the circumstances and time limits prescribed for making the call for the meeting, so as to consider the matters on which the decision-making process shall fall within the scope of competence of the general assembly.

Article [92]

Quorum for Ordinary General Assembly Meeting

1. The meeting of the Ordinary General Assembly shall be valid only if it is attended by shareholders representing at least [one quarter] of the company's voting shares, unless

the company's Articles of Association provide for a higher ratio not exceeding [half] of the company's voting shares.

2. If the quorum required forthe meeting of the ordinary general assembly in accordance with Paragraph [1] of this Article is not reached, a second meeting shall be convoked to be held under the same circumstances described in Article [91] of the Law, within [thirty] days following the scheduled date of the earlier meeting. However, the second meeting may be held an hour after the end of the scheduled time of the first meeting, provided that both the company's Articles of Association so permit and the call for the first meeting includes an indication to the possibility of holding the second meeting. In all cases, the second meeting shall be valid regardless of the number of voting shares represented thereat.

3. Resolutions of the Ordinary General Assembly shall be issued with the approval of the majority of voting shares represented at the meeting.

Article [93]

Quorum for Extraordinary General Assembly Meeting

1. The extraordinary general assembly meeting shall be valid only if attended by shareholders representing at least [half] of the company's voting shares, unless the company's Articles of Association provide for a higher ratio not exceeding [two-thirds].

2. If the quorum required forthe meeting of the extraordinary general assembly in accordance with Paragraph [1] of this Article is not reached, a second meeting shall be convoked to be held under the same circumstances described in Article [91] of the Law. However, the second meeting may be held an hour after the end of the scheduled time of the first meeting, provided that the call for the first meeting includes an indication to the possibility of holding the second meeting. In all cases, the second meeting shall be valid if attended by shareholders representing at least [one quarter] of the company's voting shares.

3. If the quorum required for the second meeting is not reached, a call for a third meeting shall be sent to be held under the same circumstances described in Article [91] of the

law, and the third meeting shall be valid regardless of the number of voting shares represented thereat.

4. Resolutions of the Extraordinary General Assembly shall be issued with the approval of [two-thirds] of the voting rights represented at the meeting, unless the underlying resolution is related to the increase or reduction of the capital, the extension of the company's term, the company's dissolution before the expiry of the term specified in its Articles of Association, the company's merger with any other company or the company's split-up into two or more company, as in the latter case, the resolution shall be valid only if issued with the approval of [three-fourths] of the voting shares represented at the meeting.

5. The board of directors shall register with the commercial registration office the resolutions of the extraordinary general assembly determined by the regulations, within [fifteen] days following the date of their issuance.

Article [94]

Entry into Force of General Assembly's Resolution

The resolution of the general assembly of the joint stock company shall enter into force as of the date of its issuance, except for the cases where the Law, the company's Articles of Association or the underlying resolution sets a different date for its entry into force or where particular circumstances are fulfilled.

Article [95]

Voting at the Shareholders' General Meetings

1. The company's Articles of Association shall indicate the method of voting at the shareholders' general meetings.

2. Members of the board of directors may not vote on the resolutions of the general assembly relating to business transactions and contracts in which they have a direct or indirect interest or that involving a conflict of interest.

Article [96]

Agenda of General Assembly Meeting

1. The board of directors shall, upon preparing the agenda of the general assembly meeting, take into consideration the topics the shareholders wish to include. One or more shareholders representing at least [ten percent] of the company's voting shares may add one or more topics to the agenda when preparing it, and the competent authority may amend such a ratio.

2. The board of directors shall assign a separate item to each of the topics listed on the agenda of the general assembly meeting, and shall neither combine the fundamentally different topics under a single item, nor include the business transactions and contracts, in respect of which any member of the board of directors has a direct or indirect interest, under a single item in order for the entire item to be voted on.

3. Each shareholder shall have the right to discuss the topics listed on the agenda of the General Assembly and to pose questions in respect thereof to the members of the Board of Directors and the auditor. Any provision in the company's Articles of Association that deprives the shareholder of this right shall be null and void. The board of directors or the auditor shall answer the shareholders' questions to the extent that the company's interest is not compromises. If a shareholder is convinced that the answer to his question is insufficient, he shall escalate the matter to the General Assembly whose resolution on the same shall become enforceable.

Article [97]

Minutes of General Assembly Meeting

Minutes of the General Assembly Meeting shall be drawn up showing the number of shareholders attending in person or represented, the number of shares held by them in propria persona or by proxy and the number of votes to which they are entitled, the resolutions issued and the number of affirmative or dissenting votes, and an in-depth summary of the discussions made at the meeting. Following each meeting, the minutes shall be regularly recorded in a special register to co-be signed by the Chairperson, the Secretary of the Meeting and vote collectors. The competent authority may set up

controls on the minutes of the General Assembly' meetings and the missions of its secretaries and vote collectors.

Article [98]

Joint Stock One Person Company

In the event that a joint stock company is established by one person, or if all of its shares are transferred to a single person, the latter shall have the powers and authorities of the general assembly of shareholders described in this Part, and his decisions shall be issued in writing, with no need to convoke the general assembly. Such decisions shall be recorded in the special register referred to in Article [97] of the law.

Article [99]

Objection to General Assembly's Resolution

1. Without prejudice to the rights of bona fide third parties, any shareholder may submit to the competent Judicial Body a request to invalidate the resolution of the shareholders' general assembly that is issued in violation of the provisions of the law or the company's Articles of Association, if the objecting shareholder has either objected to the same during the meeting or failed to attend the meeting based on an acceptable excuse. The invalidity lawsuit shall not be heard after the lapse of [ninety] days following the issuance date of the underlying resolution.
2. For the lawsuit referred to in Paragraph [1] of this Article to be instituted, it is required that the Plaintiff be a shareholder in the company at the time of instituting the lawsuit and throughout all its litigation procedures.

Article [100]

Issuance of Resolution by Circulation

1. The company's Articles of Association may provide that the chairman of the board of directors of a joint stock company unlisted on the financial market shall have the right to propose that the General Assembly's resolution be issued by presenting it to the shareholders by circulation, with no need for a meeting to be held, unless any of the shareholders requests - in writing – that a meeting of the general assembly be held for discussing the proposed resolution. However, for issuing the resolutions of the General Assembly related to the election and removal of members of the company's board of

directors and of the company's auditor, if any, as well as for review and discussion of the financial statements for the fiscal year ended; the General Assembly Meeting shall be held in accordance with the relevant provisions.

2. For the resolution proposed to be issued in accordance with paragraph [1] of this Article to be valid, it shall be sent, along with the relevant documents, by the company to all shareholders, and shall include instructions on the actions required to be taken by the shareholder for approving such a resolution and the date on which the proposed resolution shall be issued.

Article [101]

Quorum for Issuance of Resolution by Circulation

1.Resolutions of the General Assembly of joint stock companies that are not listed on the financial market shall be issued by circulation according to the following mechanism:

A. With regard to the resolution that falls within the scope of competence of the Ordinary General Assembly, it shall be issued with the approval of one or more shareholders representing the majority of voting rights, unless the company's Articles of Association provide for a higher ratio.

B. For resolutions that fall within the scope of competence of the Extraordinary General Meetings, it shall be issued with the approval of one or more shareholders holding at least [75%] of the voting shares, unless the company's Articles of Association provide for a higher ratio.

2. Resolutions of the General Assembly issued by circulation in accordance with Paragraph [1] of this Article shall be recorded in minutes, and they shall be entered in the special register stipulated in Article [97] of the Law.

Article [102]

Request for Inspection of the Company

1. One or more shareholders representing at least [5%] of the company's capital may submit an application to the competent Judicial Body to inspect the company, if the actions of the members of the board of directors or of the auditor of the company raise doubts about any matters.

2. The competent Judicial Body may order that the inspection be conducted at the applicant's expense after a hearing be held and of which the members of the board of directors or the auditor is notified to hear their statements. It may also, if necessary, order that the applicant provide a security if the company so requests.

3. If the competent Judicial Body is convinced that the complaint is well-grounded, it may order that precautionary measures be taken at its discretion, and that the General Assembly be convoked to adopt the necessary resolutions. In addition, it may remove the members of the board of directors and the auditor, appoint an appropriate number of experienced and competent persons to supervise the management of the company, and convoke the General Assembly to elect a new board of directors. The competent Judicial Body shall determine the limits of their powers and the term of their office.

Chapter [IV]: Shares, Debt Instruments and Sukuk Issued by The JSC

Section [I]: Shares

Article [103]

Shares of the Company

1. Joint Stock Company's shares shall be registered to the name of their holders, and shall be indivisible vis-à-vis the company. If the share is owned by several persons, they shall choose one of themselves to represent them for exercising the share-related rights. In addition, such persons shall be held jointly liable for the obligations arising from the ownership of the share.

2. The company's Articles of Association shall determine the nominal value of the company's shares, and the shares of the same type of class shall have an equal nominal value.

3. Subject to Paragraph [2] of this Article, shares may either be split into shares of a lower nominal value, or merged so that they represent shares of a higher nominal value, and the competent authority may set up the necessary controls in this regard.

4. Any Joint Stock Company unlisted on the Capital Market shall issue a paper or electronic certificate that demonstrates the shareholder's ownership of the share.

Article [104]

Effect of Subscription for Shares

Subscription for or ownership of shares shall be indicative that the shareholder has accepted the company's Articles of Association and undertakes to abide by the resolutions to be issued by General Assembly of Shareholders in accordance with the provisions of both the law and the company's Articles of Association, whether such a shareholder is present or absent and whether approves or rejects any such resolutions.

Article [105]

Issuance of the Company's Shares

1. Shares of the Company shall be issued in exchange for cash or in-kind contributions.

2. The paid-up amount of the value of shares to be issued in exchange for cash contributions shall not be less than [one quarter] of their nominal value specified in the company's Articles of Association, so that the paper or electronic share certificate of the unlisted joint stock company shall demonstrate the share's value paid. In all cases, the outstanding value of shares shall be paid within [five] years following the issue date of shares.

3. Shares that represent contributions in-kind shall be issued after their value has been paid in full, and shall be delivered to their holders only after the ownership of such contributions has been fully transferred to the Company.

Article [106]

Nominal Value of Shares

Shares may not be issued at a value less than their nominal value, but may, however, be issued at a higher value than their nominal value, if the same is provided for in the company's Articles of Association or approved by the Extraordinary General Assembly. In which case, the value difference shall be recognized under a separate item within the shareholders' equity, and the Regulations shall determine the rules of disbursing from it.

Article [107]

Shares-Related Rights

The shareholder shall have the rights related to the share, including, *inter alia*, the right to dispose of it, to attend General Assembly Meetings of Shareholders and get involved in their deliberations and vote on their resolutions, to obtain a share in the net profits decided to be distributed, to elect members of the board of directors, to access the company's books and documents without prejudice to the confidentiality of the information, to monitor the activities of the board of directors, to initiate the liability claim against members of the board, to challenge the validity of resolutions of shareholders' General Assembly Meetings, and to obtain a share in the company's assets upon liquidation, subject to the conditions and restrictions set out in the Law or in the company's Articles of Association.

Article [108]

Types and Classes of Shares

1. The shares, which the company may issue, shall be categorized into ordinary shares, preferred shares and redeemable shares. The company's Articles of Association may provide for different classes of share types and confer certain rights or privileges or impose certain restrictions upon certain classes of shares.

2. Shares of the same type or class shall entail equal rights and obligations, and each type or class of shares shall have the share-related rights in accordance with the company's Articles of Association.

3. The Regulations shall specify controls for the types and classes of shares to be issued.

Article [109]

Conversion of Shares

1. In cases where the company has shares of different types or classes, it may convert shares form one type or class into another type or class if the Company's Articles of Association so provide.

2. Obtaining the approval of the Extraordinary General Meeting shall be deemed a legal prerequisite in order for the shares to be converted from one class into another, except

for cases where the decision to issue shares stipulates that they shall be automatically converted into another type or class when certain conditions are met or after a specific period of time has elapsed.

3. The provisions of Article [110] of the Law shall apply to cases where the conversion of shares would result in the modification or cancellation of rights or obligations related to the type or class of the share.

4. Neither the ordinary or preferred shares nor any class thereof may be converted into redeemable shares or any of its classes, without first obtaining the unanimous consent of all shareholders of the Company.

5. The Regulations shall specify the controls for implementing the provisions of this Article and how to deal with the effects, rights and obligations of shares both before or after the conversion.

Article [110]

Amendment of Share-Related Rights or Obligations

1. If the Company's shares are of different types and classes, or if the Articles of Association permit the issuance of different types and classes of shares, it shall be a legal prerequisite for amending or revoking any of the share-related rights, obligations or restrictions, for converting any type or class of shares into another type or class in the event that such a conversion would give rise to an amendment or revocation of the rights and obligations relating to the type or class of shares intended to be converted, or for issuing shares of a certain type or class that would affect the rights of any other class of shareholders, that the approval of both a Special General Assembly to be held in accordance with Article [95] of the Law and made up of the shareholders affected by such amendment, revocation, conversion or issuance, and the Extraordinary General Assembly, be obtained beforehand.

2. If there are preferred shares or redeemable shares among the company's shares, no new shares that have priority over such shares may be issued without first obtaining the

prior approval of a Special General Assembly to be held in accordance with Article [89] of the Law and made up of the shareholders affected by such issue.

Article [111]

Restrictions on Share Trading

1. The CMA may lay down restrictions in relation to the trading of shares of Joint Stock Companies that are wishing to have their shares listed on the Capital Market.

2. The Company's Articles of Association may include restrictions in relation to the trading of shares, including deciding the shareholders' right to request redemption of shares, provided that, in all cases, the same would not impose a complete prohibition on such trading.

Article [112]

Shareholders' Register

1. Any joint stock company unlisted on the capital market shall keep a special register containing the names of the shareholders and their nationalities, data, places of residence and professions, the number of shares held by each of them, the registration numbers of such shares and the amount paid out of the value. The company may engage a third party to prepare such a register, and shall keep it in the Kingdom.

2. The company shall provide the Commercial Registration Office with the data of the register referred to in Paragraph [1] of this Article and any amendment thereto within [fifteen] days following the date of the company's registration with the Commercial Registration Office or following the date of the amendment, as the case may be.

Article [113]

The Obligation to Sell Shares

Without prejudice to the Capital Market Law, the company's Articles of Association may stipulate, subject to prior approval of the shareholders representing at least ninety percent [90%] of the company's voting shares, the following:

A. That the majority shareholders shall have the right to compel the minority shareholders to accept an offer from a bona fide buyer for purchasing all of the Company's shares at

the same price and under the same terms and conditions of purchasing the majority shareholders' shares.

B. That the minority shareholders shall have the right to compel the majority shareholders to ensure sale of the minority shareholders' shares in cases where the majority shareholders intend to sell their shares, at the same prices and under the same terms and conditions of selling such shares.

Article [114]

Purchase and Pledge of Shares

1. The Company may buy or pledge its own shares if its Articles of Association so provide, but the shares purchased by the Company shall have no vote at the General Assembly Meetings of Shareholders.

2. Shares may be pledged, and the Pledgee shall have the right to receive profits and exercise the rights related to the share, unless otherwise agreed upon in the pledge agreement. However, the Pledgee may neither attend the General Assembly Meetings of Shareholders nor vote at them.

3. The Regulations shall specify the controls necessary to implement the provisions of this Article.

Article [115]

Failure to Pay

1. The shareholder shall pay the outstanding share value on the due date. Failing which, the Board of Directors may - after notifying the defaulting shareholder through the methods of notification specified in the Company's Articles of Association, through registered mail or by any means of modern technology - sell the defaulting shareholder's share on an open auction or in the Capital Market, as the case may be. The company's Articles of Association may stipulate that other shareholders shall have priority to purchase shares of the defaulting shareholder.

2. The Company shall collect from the sale proceeds the amounts due thereto and shall refund the excess amount to the shareholder concerned. If the proceeds of sale are not sufficient to cover such amounts due, the Company may collect the outstanding amount from the shareholders' property.

3. The enforcement of rights related to shares, whose value has not been paid on the due date, shall be suspended until either they are sold or their outstanding value is paid in accordance with the provision of Paragraph [1] of this Article, including, among others, the defaulting shareholder's right to obtain a share of the net profits decided to be distributed and the right to attend General Assembly Meetings and vote on their resolutions. However, the defaulting shareholder may, up until the day of sale, pay the outstanding value together with the expenses incurred by the company in this regard. In which case, the shareholder shall have the right to request a share in the profits decided to be distributed.

4. The Company shall cancel the certificate of the share being sold according to the provisions of this Article, shall give the new shareholder a paper or e electronic certificate of the new share bearing the same number of the certificate cancelled, and shall include a note in the Register of Shareholders indicating the occurrence of sale and showing the data required for the new owner.

Article [116]

Requiring Shareholders to Pay Extra Amounts

The Company may not require the shareholder to pay amounts in excess of the amount initially undertaken to be paid thereby upon the issuance of share, even if the Articles of Association so provide.

Section II: Debt Instruments and Sukuk

Article [117]

Issuance of Debt Instruments and Sukuk

1. The Joint Stock Company may issue - in accordance with the provisions of the Capital Market law - negotiable debt instruments or Sukuk.

2. The Company may issue debt instruments or Sukuk that are convertible into shares only based on a relevant resolution of the Extraordinary General Assembly indicating the maximum number of shares permitted to be issued against such instruments or Sukuk, regardless of whether such instruments or Sukuk are issued at the same time, through several issues, or through one or more schemes for their issuance. The Board of Directors shall issue – with no need to get a new approval from the Extraordinary General Assembly - new shares in exchange for the debt instruments or Sukuk whose holders request their conversion, as soon as the conversion request period set for the holders of such instruments or Sukuk expires. The Board shall take necessary actions to amend the Articles of Association in terms of the number of shares issued and capital value.

3. The board of directors shall record the completion of the procedures for each capital increase with the Commercial Registration Office.

Article [118]

Conversion of Debt Instruments and Sukuk

The Company may convert debt instruments or Sukuk into shares in accordance with the Capital Market Law, based the consent of their holder, whether such consent is obtained beforehand under the terms of issuance or based on a subsequent agreement.

Article [119]

Compensation for Damage

Each stakeholder may request that the competent Judicial Body invalidate any transaction taking place in violation of the provisions of Articles [117] and [118] of the Law, in addition to compensating the holders of debt instruments or Sukuk concerned for the damage sustained.

Article [120]

Entry into Force of Shareholders General Meeting's Resolutions

Resolutions of General Assembly Meetings of Shareholders shall apply to holders of debt instruments and Sukuk. However, such General Assembly Meetings may not amend the

rights conferred upon them without their approval to be expressed at their special meeting to be held in accordance with the provisions of Article [89] of the Law.

Chapter V: Finance of the Joint Stock Company

Article [121]

Financial Statements and Report on the Company's Business

1. The Board of Directors shall, at the end of each fiscal year of the Company, prepare the Company's financial statements and a report on its business activities and financial position for the fiscal year ended. Such a report shall include the proposed method for distribution of profits. The Board shall put such documents at the disposal of the auditor, if any, at least forty-five [45] days before the date set for the Ordinary General Assembly Meeting.

2. The Company's Board Chairman, CEO and CFO, if any, shall all sign the documents referred to in Paragraph [1] of this Article, and copies of the same shall be kept within the Company's headquarters and shall be put at the shareholders' disposal.

Article [122]

Providing Shareholders with the Financial Statements

1. The Board Chairman shall provide the shareholders with the Company's financial statements and the board report after being signed, as well as the auditor's report, if any, unless the same is published in any of the means of modern technology, at least twenty-one [21] days before the scheduled date of the Annual Ordinary General Assembly Meeting. The Board Chairman shall also file such documents in accordance with the regulations.

Article [123]

Creation of Reserves

1. The Company's Articles of Association may provide that a certain quota of net profits be set aside to create a reserve to be allocated for the objects specified by the Articles of Association. The competent authority may set up the controls required for creation of such reserves.

2. The Ordinary General Assembly may - when the share of shares in the net profits is being determined - decide that extra reserves be created to such an extent that would help achieve the Company's interest or ensure the distribution of fixed profits - as much as possible - to shareholders. Moreover, the Ordinary General Assembly may also deduct amounts from the net profits to achieve social purposes in favor of the Company's employees.

Article [124]

Use of Reserves

1. The reserve allocated for certain purposes in the company's Articles of Association may only be used based on a resolution of the Extraordinary General Assembly. If such a reserve is not allocated for a specific purpose, the Ordinary General may, based upon the proposal of the Board of Directors, decide that the same be disbursed for purposes beneficial to the Company or Shareholders. In addition, the competent authority may set up the controls for disbursement from the reserves.

2. The Ordinary General Assembly may take advantage of the retained earnings and distributable reserves for paying off the remaining amount of the share value or part thereof, provided that the same would not prejudice the principle of equal opportunities of shareholders in accordance with the provisions of the Law.

Article [125]

Distribution of Profits to Shareholders

1. The General Assembly shall determine the quota to be distributed to shareholders from the net profits after deduction of reserves, if any.

2. The shareholder shall be entitled to a share in the profits in accordance with the resolution of the General Assembly issued in this regard, and the resolution shall indicate both the due date and distribution date. The eligibility for profits shall be conferred upon the holders of shares registered in the shareholders' register at the end of the due date. The regulations shall specify the maximum period during which the board of directors is

required to implement the decision of the General Assembly regarding the distribution of profits to shareholders.

Chapter VI: Change of Joint Stock Company's Capital

Section I: Capital Increase

Article [126]

Methods of Capital Increase

The capital shall be increased through any of the following methods:
A. Issuance of new shares in exchange for cash or in-kind contributions.

B. Issuance of new shares in exchange for the Company's debts that are both due for payment and of a known value, with the consent of creditors concerned. In which case, shares shall be issued at the value determined by the Extraordinary General Assembly after consulting one or more accredited experts or appraisers, and after the Board of Directors prepares a statement on the origin and amount of such debts. Board Members shall sign such statement and shall be held liable for its authenticity, and a report from the company's auditor shall be attached thereto.

C. Issuance of new shares at the value of the reserve which the Extraordinary General Assembly decides to be integrated with the capital. Such shares shall be issued in the same form and conditions of the already-issued shares of the same type of class, and shall be distributed to shareholders at no cost pro rata the original shares held by them.

D. Issuance of new shares in exchange for debt instruments or Sukuk.

Article [127]

Increase of Issued or Authorized Capital

1. The Extraordinary General Assembly may resolve that the Company's issued capital or authorized capital – if any - be increased, provided that the issued capital amount has been fully paid. The capital shall not necessarily be required to be fully paid if the unpaid

portion of the capital is relating to shares issued in exchange for the conversion of debt instruments or Sukuk into shares where the conversion timeframe has not yet expired.

2. The Extraordinary General Assembly may, in all cases, allot the shares issued when the capital or part thereof is increased to the employees of the Company and its subsidiaries or any of them. Shareholders may not exercise the rights issue when the Company is issuing shares allotted to employees. The Competent Authority may establish controls and procedures governing the allotment of shares to employees of the Company or its subsidiaries or any of them.

3. In all cases, the nominal value of capital increase shares shall be equal to the nominal value of the original shares of the same type or class.

Article [128]

Priority to Subscribe for Newly Issued Shares

The shareholder, who is lawfully holding the share at the time of issuance of the Extraordinary General Assembly's resolution approving the increase of issued capital, or the of board resolution approving the increase of the issued share within the range of the authorized capital, shall have the rights issue to subscribe for the new shares to be issued against cash contributions. Such shareholders shall be informed of their rights issue - if any – through a registered letter at his address listed in the shareholders' register, or through means of modern technology, and of the resolution to increase the capital, the terms and conditions of subscription and its method, dates of beginning and end, taking into account the type and class of the share he holds.

Article [129]

Suspension of the Rights Issue

The Extraordinary General Assembly may - if so permitted under the Company's Articles of Association – either suspend the rights issue of existing shareholders to subscribe for capital increase against cash contributions or confer the rights issue upon non-shareholders in such cases as the Extraordinary General Assembly deems beneficial to the Company's interest.

Article [130]

Sale or Assignment of the Rights Issue

The shareholder of a Joint Stock Company may sell or assign the rights issue with or without compensation as determined by the Regulations.

Article [131]

Distribution of New Shares

Newly issued shares shall be allotted to the holders of rights issues who request subscription, pro rata their rights issues to total rights issues resulting from capital increase, provided that the new shares they acquire do not exceed the number of shares demanded by them, taking into account the type and class of share held by them, while the remaining new shares shall be allotted to the holders of rights issues who have demanded more than their share, pro rata the rights issue held by them to the total rights issue resulting from capital increase, provided that the new shares they acquire do not exceed the number of shares demanded by them. The remaining shares shall be offered to third parties, unless otherwise determined by the Extraordinary General Meeting or prescribed by the Capital Market Law.

Article [132]

Losses of the Company

If the joint stock company's losses amount to [half] of its issued capital, the board of directors shall disclose this matter and the recommendations it has reached on such losses, within [sixty] days of the date of being aware that the losses have reached such a limit, and shall convoke the Extraordinary General Assembly within [180] Days following the date of being aware of the same, so as to consider the continuation of the company while taking any necessary measures to remedy or settle such losses.

Section II

Capital Reduction

Article [133]

Methods of Capital Reduction

The capital shall be reduced through one of the following methods:

A. Cancellation of a number of shares equal to the value required to be reduced.

B. Reduction of the nominal value per share by canceling part of such a value equal to the loss sustained by the company.

C. Reduction of the nominal value per share either by making a refund of part of the share' nominal value to the shareholder concerned or relieving the latter of the unpaid amount of the share's value or part thereof.

D. The company's purchase and subsequent cancellation of a number of its own shares proportional to the value required to be reduced.

Article [134]

Issuance of Capital Reduction Decision

The Extraordinary General Meeting may decide that the capital amount be reduced if either the same exceeds the company's need or the company has sustained losses. In the latter case only, the capital may be reduced beyond the threshold set forth in Article [59] of the Law. The reduction resolution shall be issued only after reading out, during the General Assembly Meeting, a statement prepared by the Board of Directors on the reasons underlying such reduction, the obligations of the Company and the potential impact of the reduction on such obligations. Such a statement shall be accompanied with a report prepared by the Company's Auditor. In addition, it shall be deemed sufficient that the mentioned statement be presented to the shareholders in cases where the General Meeting's resolution is to be issued by circulation.

Article [135]

Capital Reduction Procedures

1. If the capital reduction is to take place due to the fact that the capital amount is in excess of the company's need, the creditors shall be called to express their objections on such reduction – if any – at least [45] days prior to the scheduled date of the Extraordinary General Meeting to make the reduction resolution, provided that the call for such a meeting shall be accompanied by a statement on the capital amount

both before and after the reduction, the scheduled date of the meeting and the effective date of reduction decision. If any creditor objects to the reduction and furnishes relevant supporting documents to the Company on the said date, the company shall either pay off its debt if the same is immediately due for payment or provide sufficient security for payment thereof if the same is due at a later date. The creditor, who has notified the company of his objection to the reduction and whose debt has not been paid off if it is due for payment, or in respect of whom the company has failed to provide a sufficient security for payment of its debt if it is due at a later date, may apply to the competent Judicial Body before the date set for holding the Extraordinary General Meeting to make the reduction decision. In which case, the competent Judicial Body may order that the debt be paid off, that a sufficient security be provided for such debt, or that the Extraordinary General Meeting be postponed, as the case may be.

2. The reduction shall not be valid vis-à-vis the creditor who submits the claim on the date stated in Paragraph [1] of this Article, unless such a creditor has either received its debt due or obtained sufficient security for payment of any debt that has not yet fallen due.

Article [136]

Equality between Shareholders

Shareholders holding shares of the same type and class shall be treated on an equal footing upon reducing the capital.

Article [137]

Reduction via purchase of the Company's Shares

1. If the capital reduction takes place through the Company's purchase of a number of shares for the sake of their cancellation, the shareholders shall be called to offer their shares for sale by informing them of the company's desire to purchase its own shares by registered letters to their addresses listed in the shareholders' register, or by announcing the call through means of modern technology.

2. If the number of shares offered for sale exceeds the number of shares which the company has decided to purchase, the sale orders shall be reduced pro rata such an excess.
3. The purchase price of shares of Joint Stock Companies unlisted on the Capital Market shall be determined as per the fair value, while the shares of Joint Stock Companies that are listed on the Capital Market shall be purchased according to the Capital Market Law.

Part V: Simple Joint Stock Company

Chapter I: General Provisions

Article [138]

Concept of Simple Joint Stock Company

1. The provisions of simple joint stock company except for Articles: [61], [63], [67] through [71], [74] through [88], [90] through [94], [95/1], [96] through [98], [100], [101], [111/2], [111] and [122] shall apply to the simple joint stock company in respect of the matters not specifically stipulated in this Part, and in line with its nature.

2. Shareholders of a simple joint stock company may organize the company's structure and method of operation, under the company's Articles of Association.

3. Shareholders shall replace the ordinary and extraordinary General Assembly of the joint stock company, within the scope of the provisions that apply to the simple joint stock company. Shareholders shall have the right to specify who will assume these competencies under the company's Articles of Association, unless there is a special provision stipulated in this part.

4. The president, manager or board of directors of the simple joint stock company, as the case may be, shall exercise all the powers assigned to the chairman and members of the board of directors of a joint stock company and shall replace them, unless a special provision is stipulated in this Part.

Article [139]

Capital of Simple Joint Stock Company

1. The company's Articles of Association shall determine the amount of its issued capital and the paid-up amount thereof, and it may stipulate that the company shall have an authorized capital.

2. The minimum capital requirement applicable to the joint stock company shall not apply to the simple joint stock company.

Chapter II: Incorporation of Simple Joint Stock Company

Article [140]

Particulars of the Company's Articles of Association

1. The Articles of Association of the Simple Joint Stock Company shall, in particular, include the following details:

a. The company's name;

b. The company's headquarters;

c. The Company's Objects;

d. The company's authorized capital - if any - and the issued and paid-up amount thereof;

e. The number, classes and nominal value of shares as well as the rights relating to each class;

f. The company's term, if any;

g. The management of the company and provisions connected therewith;

h. Assignment of shares;

i. Meetings of shareholders and the quorum required for their validity;

j. Shareholders' resolutions and the quorum required for their issuance;

k. Details of commencement and end dates of the fiscal year; and

l. Any other provisions, conditions or data that the founders and shareholders agree to be included in the company's Articles of Associations and which do not conflict with the provisions of the Law.

2. The following documents shall be attached with the Articles of Association when submitting an application for incorporation of the company:

a. The founders' names, addresses and nationalities;
b. Details of the expected procedures and expenses for the incorporation of the company;
c. A declaration that founders have subscribed for all shares of the company, and the value of the paid-up capital;
d. A certificate of crediting the paid-up amount of the issued capital with a bank duly licensed in the Kingdom;
e. A decision by the founders indicating that they have appointed the company's president, manager, or board of directors, and indicating their names, nationalities, addresses and dates of birth;
f. A declaration whereby the founders undertake to comply with all the legal requirements relating to the company's incorporation;
g. A report drawn up by one or more accredited appraisers, indicating the fair value of the in-kind contributions, if any, as well as a declaration by the rest of the founders approving the financial consideration of the same.

Article [141]

Valuation of In-kind Contributions

1. If in-kind contributions are provided when the company is being founded or when its capital is being increased, and its total value does not exceed [half] of the company's capital, such contributions shall not be valuated by an accredited appraiser, unless the founders or shareholders agree otherwise.

2. If in-kind contributions provided when the company is being founded or when its capital is being increased exceed [half] of the company's capital, such contributions shall be valuated by one or more accredited appraisers. In addition, such an appraiser shall draw up a report indicating the fair value of the said contributions. The aforementioned report shall be submitted to the founders or shareholders for deliberation. The providers of in-kind contributions shall have no right to vote on the resolution on the report drawn up in respect of such contributions. In the event that the founders or shareholders decide to reduce the valuated consideration of the in-kind

contributions, the approval of the providers of such contributions shall be obtained for such reduction.

3. The intervening period between the issuance of the accredited appraiser's report, indicating the fair value of the in-kind contributions, and the issuance of shares against such shares shall not exceed the time limit specified in the Regulations.

4. If the in-kind contributions are not valuated by an accredited appraiser in accordance with the provisions of this Article, or if they are valuated by any person other than the accredited appraiser appointed, the founders or shareholders shall be personally liable vis-à-vis third parties for the fair valuation of such contributions and shall pay the difference in cash to the company. The legal proceedings instituted in this respect shall not be heard after the lapse of [five] years following the date of the registration of the company in the commercial register or the increase of its capital, as the case may be.

Chapter III: Management of Simple Joint Stock Company

Article [142]

Company Management Method

1. The method of management of the Simple Joint Stock Company shall be determined in its Articles of Association, and such a company may be managed by a president, one or more managers, board of directors or otherwise. The company's Articles of Association shall determine the method designated for the appointment and removal of the person in charge of the management thereof, as well as the limits of his powers and authorities and terms of reference. If the company's Articles of Association do not contain provisions in this regard, the shareholders shall be responsible for the same.

2. The company's president, manager or board of directors – as the case may be - shall have the broadest powers for managing the Company to achieve its objects, except for the activities or matters excluded under a specific provision in the Law or in the company's Articles of Association and which fall within the scope of powers of the shareholders. In addition, the president or manager may - within the limits of his powers – authorize third parties to perform one or more particular tasks, and the board of directors

may, within the limits of its powers, authorize one or more of its members or from third parties to perform a particular task[s].

3. The Simple Joint Stock Company's president, manager or chairman of its board of directors – as the case may be - shall represent the Company before the judiciary, arbitral tribunals and third parties, and may authorize third parties to represent the Company where its Articles of Association so provide.

4. The Simple Joint Stock Company shall abide by all acts and matters conducted by its president, manager or board of directors – as the case may be – in its own name, even if beyond the scope of his powers, unless the person with whom such a person deals is either acting in bad faith or aware that such acts and matters fall beyond the scope of his powers.

Article [143]

Liability of the Management

The provisions relating to the liability of the Board of Directors of the Joint Stock Company shall apply to the president, manager or board of directors of the simple Joint Stock Company, as the case may be.

Article [144]

Providing Loans

The provision of Article [72] of the Law shall apply to the president, manager or board of directors of the Simple Joint Stock Company, as the case may be.

Chapter IV: Shareholders

Article [145]

Shareholders' Meeting

1. The Articles of Association of the Simple Joint Stock Company shall determine the matters that need to be presented to the shareholders to decide thereon, in the form and conditions defined in this Law. However, the shareholders shall make decisions on matters falling within the scope of competence of the Ordinary or Extraordinary General

Assembly of the Joint Stock Company with regard to the increase or reduction of the capital, the conversion of the company into any other legal form, the company's merger, split-up or dissolution, the appointment of an auditor, discussion of the financial statements, distribution of the profits or amendment of the company's Articles of Association.

2. The company's Articles of Association shall determine the quorum necessary for both the validity of shareholders' meetings and the issuance of their resolutions.

3. The company's Articles of Association may specify different quorums for certain issues when they are presented to the shareholders and for deciding thereon.

4. The Articles of Association of the company shall determine the matters which need Shareholders' unanimous approval in order for a resolution to be issued in respect thereof.

Article [146]

Call for Shareholders' Meeting

1. Subject to the company's Articles of Association, shareholders' meetings of the Simple Joint Stock Company shall be held at the call of its president, manager or board of directors, as the case may be, in accordance with the conditions determined by the company's Articles of Association. The shareholders' meeting may be called upon the request of the auditor, if any, or one or more shareholders representing at least [10%] of the company's voting shares.

2. The notice of meeting shall be sent to all shareholders at least [5] days ahead of the date set for the meeting, including the place, date and time of the meeting. The notice of meeting shall be accompanied by the meeting agenda, including the topics on which the shareholders are required to vote. The notice may determine the place, date and time of the second meeting, in case the necessary quorum for holding the first meeting is not reached.

3. Shareholders shall be notified of the call with registered letters to be sent to their addresses listed in the shareholders' register or via means of modern technology, unless otherwise provided for in the company's Articles of Association.

4. If the notice of shareholders' meeting is sent for considering the topics set out in Article [145.1] of the Law, each shareholder shall have the right to get access to and review the information and documents in relation thereto, at any time during the [five] days preceding the date set for the meeting, unless the company's Articles of Association provide for a longer period.

5. Shareholders' meetings shall be held at the company's headquarters or elsewhere to be determined by the shareholders, and may be held via means of modern technology.

6. The shareholders holding all voting shares of the company may hold their meeting without observing the conditions and timeframes prescribed for the call for meeting.

Article [147]

Financial Statements and Report on the Company's Activities

At the end of each fiscal year of the company, the president, manager or board of directors of the Simple Joint Stock Company, as the case may be, shall prepare the company's financial statements and a report on its business activities and financial position for the fiscal year ended. The aforesaid report shall include the proposed method for distributing profits, if any. Such documents, along with the auditor's report, if any, shall be submitted to the shareholders, within [six] months following the date of the end of the company's fiscal year. Such documents shall be submitted in accordance with the procedures set forth in the Regulations.

Article [148]

Minutes of Shareholders' Meetings

1. The deliberations of the shareholders' meeting and their decisions or decisions issued by circulation shall be recorded in minutes to be kept in a special register to be signed by the company's president, manager or board of directors, as the case may be. In

addition, the company may use means of modern technology to record and maintain the meeting's deliberations and resolutions.

2. The company's president, manager or board of directors, as the case may be, shall have the resolutions of shareholders determined by the Regulations registered with the commercial registration office within [15] days following the date of their issuance.

Article [149]

Issuance of Resolutions by Circulation

1. The company's Articles of Association may provide for the issuance of a shareholders' resolution by presenting the draft resolution to them by circulation, with no need for holding a meeting. In which case, the company's president, manager or board of directors, as the case may be, shall send the proposed resolution and relevant documents to all shareholders, and shall indicate the actions to be taken by the shareholders in order for the resolution to be approved, as well as the date on which the same is to be issued.

2. Unless the company's Articles of Association provide for another means of notifications, the proposed resolution and relevant documents may be sent through any of the following means:

a. Sending them to shareholders with registered letters;

b. Personal delivery by hand to the shareholders or their legal representatives; or

c. Sending the same via e-mail or through any other means of modern technology.

3. The company's Articles of Association shall determine the quorum necessary for the valid issuance of shareholders' resolutions by circulation.

Article [150]

One-Person Simple Joint Stock Company

In the event that a Simple Joint Stock Company is incorporated by a single person, or if all of its shares are transferred to a single person, the same shall result in the following:

a. The liability of such a person shall be limited to the funds he has allocated as the capital of the company.
b. He shall have the powers and authorities of the shareholders set forth in this Part, and his decisions shall be issued in writing and recorded in a special register with the company.

Article [151]

Restrictions on Disposition of Shares

The company's Articles of Association may provide for restrictions on the disposition of shares in relation to the following aspects:
a. Shares shall be prohibited from being disposed of for a period not exceeding ten years following the date of their issuance. This period may be extended with the unanimous consent of the shareholders.

b. The approval of the company or shareholders shall be a prerequisite before disposing of the shares.
Any disposition of shares in violation of the above-mentioned restrictions shall be deemed null and void.

Article [152]

The Obligation to Assign Shares

The company's Articles of Association may include the conditions whereby any shareholder may be compelled to assign his shares, and the purchase price of shares shall be determined according to the fair value thereof, unless the company's Articles of Association provide otherwise. The company's Articles of Association may provide for the suspension of the rights associated with such shareholder's shares - with the exception of the financial rights - until he assigns the same.

Article [153]

Settlement of Disputes

With the exception of criminal acts, the company's Articles of Association may provide for the settlement of disputes or conflicts of whatever nature that may arise between

shareholders or between the company and its president, manager or any member of its Board of Directors, as the case may be, by way of arbitration or other alternative means for settlement.

Article [154]

Consensus of Shareholders

The unanimous consent of the shareholders shall be obtained for including in the company's Articles of Association the provisions of Articles [151], [152] and [153] of the Law and any amendment to any of them.

Article [155]

Application of the Provisions of this Part

The Regulations shall determine the provisions necessary for applying the provisions of this Part.

Part VI: Limited Liability Company

Chapter I: General Provisions

Article [156]

Definition of the Limited Liability Company

The Limited Liability Company is a company established by one or more natural or legal persons, and its liability is independent of the financial liability of each partner. The company shall be solely liable for the debts and obligations arising out of its business activities, so that neither the owner nor any partner of the company shall be held liable for any such debts and obligations except to the extent of his capital contribution.

Article [157]

One-Person Limited Liability Company

1. In the event that a Limited Liability Company is established by one person, or if all of its equity stakes have devolved upon a single person, the following provisions shall apply:

a. The owner shall have the powers and authorities of the Manager and Board of Directors of the Company as well as the General Assembly of Partners as described in this

Part. The owner shall issue decisions by recording the same in a special register in the company.

b. The owner may appoint one or more Managers to act as the legal representative of the Company before the judiciary, arbitration tribunals and third parties, and to be liable vis-à-vis the owner for the company's equity stakes.

2. The Limited Liability Company owned by a single person shall have Articles of Association, and each reference to the Memorandum of Association in the provisions that are applicable to the Limited Liability Company shall mean the Articles of Association.

Chapter II: Incorporation of the Limited Liability Company

Article [158]

Particulars of the Memorandum of Association

1. The Memorandum of Association of the Limited Liability Company shall, in particular, include the following details:

a. The names and details of the partners;

b. Name of the company;

c. Headquarters of the company;

d. The Company's objects;

e. The Company's capital and its division among partners;

f. Declaration that the partners have fulfilled the value of the equity stakes;

g. The company's term, if any;

h. The management of the company, if any;

i. Assignment of equity stakes;

j. The means of sending the notices the company may send to the partners;

k. Partners' resolutions;

l. The method for distributing profits and losses among the partners;

m. Details of commencement and end dates of the fiscal year;

n. Termination of the company; and

o. Any other provisions, conditions or data the partners may agree to be included in the company's Memorandum of Associations and which do not conflict with the provisions of the Law.

2. The following instruments shall be attached with the Memorandum of Association when submitting an application for incorporation of the company:

a. A declaration whereby the founders undertake to comply with all the legal requirements relating to the company's incorporation.

b. A report r statement drawn up by one or more accredited appraisers, indicating the fair value of the in-kind contributions, if any, as well as an acknowledgment by the rest of the founders approving the financial value of such contributions.

Article [159]

Valuation of In-kind contributions

The valuation of in-kind contributions shall be subject to the provisions set out in Article [141] of the Law.

Chapter III: Management of the Limited Liability Company

Article [160]

Appointment of the Company's Manger

The Limited Liability Company shall be managed by one or more Managers from among the partners or third parties. The partners shall appoint the Manager[s] under the company's Memorandum of Association or under an independent contract for a fixed or indefinite period of time. Under a resolution of the partners, a Board of Managers may be formed if there are several Managers of the company.

Article [161]

Management of the Company

The Company's Memorandum of Association or the partners' resolution shall determine the method of the company's management and the majority required for its resolutions to be issued when more than one manager is appointed or if a board of managers is formed.

Article [162]

Representation of the Company and its Liability for Manager's Acts

1. The company's Manager shall represent the Limited Liability Company before the judiciary, arbitration tribunals and third parties, and may authorize any third party to perform a particular task[s].

2. Any resolution issued to appoint or replace the Manager or to limit his powers shall be applicable to third parties only after being recorded in the commercial register.

3. The company shall be liable for the Manager's acts that fall within the scope of the company's objects.

Article [163]

Vacancy of the Manager's Position

If the Limited Liability Company has a single Manager, the partners shall, if the manager's position becomes vacant, appoint a new Manager for the company within [fifteen] days following the date of becoming aware of such vacancy. In addition, the auditor of the company- if any - or any of the partners shall have the right to convoke the General Assembly to appoint a new Manager of the company.

Article [164]

Dismissal of the Manager

1. Partners may dismiss the Manager or Managers, whether they are appointed under the company's Memorandum of Association or under an independent contract. The partners shall appoint one or more Managers to replace those dismissed. If the Manager is a partner of the company, he may not take part in voting on the resolution in connection with his dismissal.

2. One or more partners representing at least [one quarter] of the company's capital may submit a request to the Competent Judicial Body to dismiss the Manager or Managers.

Article [165]

General Assembly

1. The Limited Liability Company shall have a General Assembly comprising all the partners thereof.

2. The General Assembly of the Partners shall be convened at the call of the Manager[s] according to the conditions determined in the company's Memorandum of Association, provided that it shall be held at least once a year during the [six] months following the end of the company's fiscal year.

3. The General Assembly of the Partners may be convoked at any time at the request of the Managers or the auditor or at the request of one or more partners representing at least [10%] of the capital. The notice of meeting shall be sent at least [21] days ahead of the date set for the meeting to all partners, with registered letters or through means of modern technology or through any other means set forth in the Memorandum of Association.

4. The partners holding all shares of the company's capital may hold the General Assembly without regard to the conditions and periods prescribed for the convention.

5. The deliberations of the General Assembly of the Partners and their decisions or resolutions issued by circulation shall be recorded in minutes to be kept in a special register to be prepared by the company for such purpose. The company may use modern technology to record and maintain its deliberations and resolutions.

6. Meetings of the General Assembly of Partners may be held through the means of modern technology, and the partner may take part in the deliberations and vote on resolutions through such means.

Article [166]

Issuance of Partners' Resolutions

1. Partners' resolutions shall be issued during the General Assembly Meeting. However, partners' resolutions may be issued by presenting them to the partners by circulation with no need for the General Assembly to convene. In such a case, the Manager of the company shall send to each partner the proposed resolutions and relevant documents for the partner to vote thereon in writing.

2. Unless the company's Memorandum of Association provide for any other means of notification, the proposed resolutions and relevant documents may be sent through any of the following means:

a. Sending them out to all partners through registered letters.
b. Delivering them by hand to all partners or their legal representatives.
c. Send them by e-mail or through any other means of modern technology.

3. In all cases, the resolutions shall be valid only if approved by a number of partners representing at least more than [half] of the capital, unless the Company's Memorandum of Association stipulates a higher majority.

4. If the majority set forth in paragraph [3] of this Article is not reached in the deliberation or in the first discussion, the partners shall be called to the meeting, and resolutions shall be issued in this case with the approval of the majority of shares represented at the Meeting, regardless of their ratio to the capital, unless the Limited Liability Company's Memorandum of Association provides otherwise.

5. The company's Memorandum of Association may determine any other method for the convocation of the General Assembly Meeting or notification of resolutions.

Article [167]

Financial Statements and Report on the Company's Business Activities

1. The Manager of the company shall prepare for each fiscal year the financial statements of the company and a report on its business activities and financial position for the fiscal year ended, together with his suggestions on the distribution of profits, if any. The Manager shall provide the aforementioned documents to the auditor, if any, at least [45] days prior to the date set for the Annual General Assembly Meeting.

2. The Manager of the company shall provide the partners with the company's financial statements, a report on its business activities and the auditor's report, if any, whether through modern technology or through any other means described in the company's Memorandum of Association, at least [21] days prior the date set for the Annual General Assembly Meeting. The Company's Manager shall also submit the above-mentioned documents in accordance with the Regulations.

Article [168]

Agenda of General Assembly Meeting of Partners

The agenda of Annual General Meeting of Partners shall include the following items:

a. Hearing the report of the company's Manager on the company's business activities and financial position for the fiscal year ended.

b. Reviewing and discussing the financial statements for the fiscal year ended.

c. Discussing and approving the auditor's report on the fiscal year ended, if any.

d. Deciding on the company's Manager's proposal regarding the distribution of profits, if any.

Article [169]

Matters Listed in the Agenda

1. The General Assembly of Partners may not consider any matters other than those included in the agenda, unless matters emerge during the meeting and require consideration. However, if a partner requests that a certain matter be included in the agenda, the Company's Manager shall respond to the request; otherwise, the partner may escalate the matter to the General Assembly.

2. Each partner shall have the right to discuss the topics included in the agenda of the General Meeting of Partners, and the Company's Manager shall respond to the partners'

queries. If one of the partners considers that the answer to his question is not sufficient, the partner may escalate the matter to the General Assembly.

Article [170]

Objection General Assembly's Resolution

1. Without prejudice to the rights of *bona fide* Third Parties, each partner may submit an application to the Competent Judicial Body for invalidating the relevant resolution of the General Assembly of Partners that is issued in violation of the provisions of the Law or of the company's Memorandum of Association. However, only the partners who have expressed objection to the resolution in writing or who are unable to object thereto after they become aware thereof, may request invalidation of the resolution. The invalidation shall cause the resolution to be null and void with regard to all partners.

2. The lawsuit for invalidation shall not be heard after the lapse of [90] days following the issuance date of the resolution referred to in Paragraph [1] of this Article.

3. In order to institute the lawsuit referred to in Paragraph [1] of this Article, it is required that the Plaintiff be a partner in the company at the time of filing the lawsuit and throughout all its procedures.

Article [171]

Partners' Rights and Obligations

1. Each partner shall have the right to take part in the discussions and voting, and shall have a number of votes equal to the number of shares he owns, and it is not permissible to agree otherwise.

2. Each partner may - in writing - authorize any other partner to attend and vote at the partners' meetings on his behalf, unless the company's Memorandum of Association stipulates otherwise. The Memorandum of Association may provide that the partner is permitted to authorize, in writing, whomever he deems appropriate, from outside the partners, to attend and vote at the partners' meetings.

3. The non-managing partner may submit opinions to the Manager, and he - or whomever he authorizes - may request examination of the company's records and documents [twice] during the company's fiscal year at the company's headquarters. In addition, the company shall respond to his request within [15] days following the date of the request, and any condition that stipulates otherwise shall be deemed null and void.

4. Anyone who obtains any information - based on this Article - shall maintain its confidentiality and may not use the same for any purpose that may cause damage to the company or to any of its partners. In addition, he shall be liable to compensate for any damage arising from failure to comply with this provision.

Article [172]

Amendment of the Company's MOA

1. The company's Memorandum of Association may be amended, including, inter alia, the increase or reduction of its capital, with the approval of one or more partners representing at least [three quarters] of the capital, unless the Memorandum of Association provides for a higher ratio.

2. Upon approval to increase the company's capital by issuing new shares, the exist partners shall have priority to acquire ownership of the shares to be issued in return for cash contribution pro rata their capital contributions, in accordance with the procedures determined in the Regulations.

3. The capital may be increased by raising the nominal value of the partners' shares or through suspending the application of the right of priority, only with the unanimous consent of the partners.

Article [173]

Settlement of Disputes

With the exception of criminal acts, the company's Memorandum of Association may provide for the settlement of disputes or conflicts of whatever nature that may arise between partners or between the company and its Managers, by way of arbitration or through any other alternative means for settlement.

Chapter IV: Capital and Equity Stakes

Article [174]

Capital Amount

The partners shall determine the capital amount of the company in its Memorandum of Association, and the capital shall be divided into equity stakes of equal value, and each equity stake shall be indivisible and non-negotiable. If the equity stake is held by several persons, the company may suspend the exercise of relevant rights of the same until such holders choose one from among themselves to be the sole holder of the stake vis-à-vis the company. The company may set a time limit for them to make such a choice, otherwise, it may, after its expiry, sell the equity stake for the account of its owners. In which case, the equity stake shall be offered to the other partners and then to third parties, in accordance with Article [178] of the Law, unless the company's Memorandum of Association stipulates otherwise.

Article [175]

Distribution of Profits to Partners

1. The equity stakes shall provide equal rights with regard to the net profits and liquidation surplus, unless the company's Memorandum of Association stipulates otherwise.

2. The General Assembly shall determine the ratio of net profits required to be distributed to the partners after deducting the reserves, if any.

3. The partner shall be entitled to get his share in the profits in accordance with the relevant resolution of the General Assembly or of the partners, and such a resolution shall indicate the date of eligibility and the date of distribution.

Article [176]

Capital Reduction

1. The General Assembly of Partners may decide that the capital amount be reduced if either the same exceeds the company's needs or if the company has sustained losses. In the latter case only, the reduction resolution shall be issued only after reading out a special statement prepared by the company's Manager on the reasons underlying such

reduction, the obligations of the company and the effect of the reduction on such obligations. In addition, the report of the company's auditor shall be accompanied by the above-mentioned auditor's statement. It may be sufficient to submit the aforementioned statement to the partners in the cases where the partners' resolution is passed by circulation.

2. If the capital reduction is made based on the fact that the capital is in excess of the company's needs, every Manager in the company shall prepare a statement on the company's financial solvency, including the following:
a. By examining the position of the company on the date of preparing the statement, he confirms that there is nothing that would make the company unable to pay off its debts and fulfill its obligations.

b. The company is able to pay off its debts and fulfill its obligations that are due within the [twelve] months following the date of preparing the statement.

3. Every Manager in the company shall sign and indicate the preparation date in the statement referred to in Paragraph [2] of this Article. In addition, the partners shall be provided with the aforesaid statement at least [15] days prior to the date set for the issuance of the reduction resolution.

4. The partners shall submit a proposed amendment of the company's Memorandum of Association, including the reduction of the company's capital, to the commercial registration office, within [15] days following the date of the reduction resolution, and the documents referred to in Paragraphs [1] and [2] of this Article shall, as the case may be, be attached with the above-mentioned proposal. The reduction resolution shall be effective after being registered with the commercial registration office.

Article [177]

Creation of Reserves

1. The Company's Memorandum of Association may provide that a certain quota of net profits be set aside to create a reserve to be allocated for the objects specified by the Memorandum of Association.

2. The partners may - when determining the share of the equity stakes in the net profits at the annual General Assembly Meeting - decide that reserves be created, to the extent that achieves the interest of the company or ensures the distribution of fixed profits - as much as possible - to the partners. Such a meeting may deduct amounts from the net profits to achieve social purposes for the company's employees.

Article [178]

Assignment of Equity Stakes

1. The partner may assign his equity stakes to any of the partners in accordance with the conditions set forth in the company's Memorandum of Association.

2. If the partner wants to transfer his equity stake to a party other than the partners in the company – with or without compensation – he shall inform the remaining partners through the company's Manager of the name of the assignee or the buyer and the terms of the assignment or sale, and the manager shall, in turn, inform the rest of the partners as soon as he receives the relevant details. Each partner may request the redemption of such equity stake and shall pay its value or the company may purchase the same within [30] days following the date of informing the Manager of the agreed price. If more than one partner are wishing to redeem the equity stake[s], they shall be divided among them pro rata their respective capital contributions. In the event of a difference over the value of the equity stake, its value shall be assessed at the expense of the partner requesting the redemption or the company - as the case may be - by one or more accredited appraisers who shall draw up a report showing the fair value of the equity stake of the partner. If the time limit specified for exercising the right of redemption has elapsed with no partner requesting a redemption of the equity stake, if the partner requesting the redemption has not paid its value, or if the company has not purchased the same during that time limit, the equity stake's owner shall have the right to assign the same to any third party.

3. The company's Memorandum of Association may provide for other procedures for notification in connection with the assignment of the equity stake or any other method of valuation or a longer period for exercising the right of redemption and payment of the value, or for the company to purchase the aforementioned equity stake.

4. The right of redemption provided for in this Article shall not apply to the transfer of ownership of equity stakes by inheritance or bequest or by virtue of a judgment from the Competent Judicial Body.

Article [179]

Issuance of Debt Instruments and Sukuk

1. The Limited Liability Company may issue - in accordance with the provisions of the Capital Market law - negotiable debt instruments or Sukuk.

2. Debt instruments or Sukuk shall be issued with the approval of the partners in accordance with the conditions prescribed for the amendment of the company's Memorandum of Association.

Article [180]

Purchase and Pledge of Equity Stakes

1. The company may purchase or pledge its equity stakes if the Memorandum of Association so provides, and the equity stakes purchased by the company shall have no votes in the General Assembly Meeting.

2. The equity stakes may be pledged, and the Pledgee may receive profits, unless otherwise agreed in the pledge contract.

3. The Regulations shall determine the controls necessary to implement the provisions of this Article.

Article [181]

The Obligation to Sell the Equity Stakes

Subject to prior approval of one or more partners representing at least ninety percent [90%] of the company's capital, the company's Memorandum of Association may provide the following:

a. That the majority partners shall have the right to compel the minority partners to accept an offer from a bona fide buyer for purchasing all of the company's equity stakes at the same price and under the same terms and conditions of purchasing the majority partners' equity stakes.

b. That the minority partners shall have the right compel the majority partners to sell the minority partners' equity stakes in cases where the majority partners are selling their own equity stakes, at the same prices and under the same terms and conditions of selling the majority partners' equity stakes.

Article [182]

Losses of the Company

If the company's losses reach half of its capital, the company's Manager shall call the General Assembly of Partners to hold a meeting not later than sixty [60] days following the date of being aware that the loss has reached such a limit, in order to consider the continuation or dissolution of the company and for taking any necessary actions to address such losses.

Chapter V: Termination of the Limited Liability Company

Article [183]

Extension of the Company's Term

1. Unless the company's Memorandum of Association provides for higher majority, the Limited Liability Company's fixed term may be extended for a further term under a resolution to be issued by the General Assembly of Partners by any number of partners holding at least half of the equity stakes of the capital.

2. If the resolution to extend the company's term is not issued but the company continues to perform its business activities, the company's term shall be extended for a similar term under the same terms set out in the company's Memorandum of Association.

3. Any partner may withdraw from the company if he does not wish to continue, and his equity stake shall be valuated in accordance with the provisions of Article [178] of the Law. The extension shall take effect only after the equity stake of aforementioned partner is sold to the partners or third parties - as the case may be - and its value has been paid to him, unless the withdrawing partner agrees otherwise with the rest of the partners.

4. Any Third Party, whose interest goes against the extension of the company's term, may object to the extension and insist assert that the same is not valid vis-à-vis himself.

Article [184]

Cases of Termination

The Limited Liability Company shall not be terminated upon the death, interdiction or insolvency of any partner, nor upon the institution of any bankruptcy proceedings against him according to the Bankruptcy Law, or in case of his withdrawal from the company, unless the company's Memorandum of Association provides otherwise.

Part VII: Nonprofit Company

Article [185]

Definition of the Nonprofit Company

1. The Public Nonprofit Company: It is a company that adopts the legal form of a joint stock company and may not adopt any other legal form. It shall disburse the profits generated from the performance of its activities for public not-for-profit purposes in connection with any of the public objects and scope of activities of the company, which exclusively aim to serve the society as a whole. The Ministry shall, in coordination with the National Center for the Development of the Non-Profit Sector, determine such objects and scope of activities.

2. The Private Nonprofit Company: It is a company that adopts the legal form of a limited liability company, a joint stock company or a simple joint stock company and may not adopt any other legal form. It shall disburse the profits generated from the performance of its business activities for the purposes in connection with any of the non-profit objects and scope of activities of the company.

3. The Nonprofit Company shall be prohibited from offering its shares for trading through public offerings.

4. Nonprofit companies shall be subject to the provisions governing the legal form of the company, in such a manner that does not go against its nature, with regard to any matters not specifically stipulated in this Part.

Article [186]

Disbursement Channels of Non-Profit Company

1. For approval of the incorporation of the Public Non-Profit Company, its Articles of Association shall contain a description of the public non-profit objects and channels. In addition, the Private Nonprofit Company may provide in its Memorandum or Articles of Association for any non-profit objects and scope of activities of the company.

2. Subject to the relevant laws, the Nonprofit Company may generate cash or in-kind proceeds from its business activities, products and services, and may engage in any lawful activity that would enable it to achieve profits to be disbursed for the objects and channels described in its Memorandum or Articles of Association.

Article [187]

Entry into Force of Resolution Amending the Public Nonprofit Company's AOA

If the resolution amending the Articles of Association of the Public Nonprofit Company involves amendment of the provisions governing the disposition of assets or amending the powers of the Board of Directors or the objects and disbursement channels of the company, such an amendment shall enter into force only subject to prior approval of the Ministry.

Article [188]

Company's Membership

1. Each partner or shareholder of the Nonprofit Company shall be deemed a member.

2. The Nonprofit Company may include provisions in its Memorandum or Articles of Association that regulate the following matters:

A. The categories, terms and conditions for membership.

B. The powers of membership categories, the matters for which the approval of the Special General Assembly of the company's member is required and the necessary quorum for that purpose, including the right to exercise control over the Managers or Board of Directors and to verify that the company's profits are disbursed for the purposes and channels defined in its Memorandum or Articles of Association.

C. Conferring upon a certain category of members the right to vote on the company's resolutions at a Special General Assembly.

D. Conferring upon a certain category of members the right to appoint one or more of the company's Managers or Board Members, and, in which case, the manager or board member so appointed may be removed from office only by the category that has appointed it.

E. Issuing non-negotiable membership certificates, with the exception that any member of a Private Nonprofit Company may assign his membership.

F. Requiring the payment of annual fees or cash or in-kind contributions for one or more membership categories of the Nonprofit Company.

G. Requiring that a particular service or work be provided to the company as a prerequisite for being granted its membership.

2. The Ministry may regulate the matters governing membership of the Nonprofit Companies.

Article [189]

Member's Rights and Obligations

Each membership category shall give rise to equal rights and obligations, and shall confer upon the member all rights relating to his membership, including, in particular, the right to get involved in the discussions of the General Assembly Meetings of Members and the right to access the books and documents of the company.

Article [190]

Termination of the Company's Membership

Subject to the provisions of the Law as well as the Nonprofit Company's Memorandum or Articles of Association, the membership of the Nonprofit Company shall be terminated in the following cases:

A. Death or termination of the legal personality.

B. Assignment of membership to Third Parties in respect of the Private Nonprofit Company.

C. Revocation of membership according to the provisions of the company's Memorandum or Articles of Association.

D. When the term of membership expires without being renewed.

E. The termination of the company.

Article [191]

Membership Termination Request

The member may request the revocation of his membership, and, in which case, he shall be held liable for compensating the company in the event that the revocation would result in violation of his obligations towards the Company.

Article [192]

The company's register and providing the Commercial Registration Office with the Data

1. The members' data shall be recorded in a register to be kept by the Nonprofit Company for this purpose.

2. The Company shall provide the commercial registration office with the data referred to in Paragraph (1) of this Article together with any amendments thereto, within (fifteen) days following the date of the Company's registration or following the date of the relevant amendment, as the case may be.

Article [193]

Acceptance of Gifts, Bequests and Endowments

Subject to the provisions of the relevant laws as well as the Public Nonprofit Company's Articles of Association, the Public Nonprofit Company may accept, manage, invest or spend from the proceeds of any gifts, bequests and cash and in-kind endowments, in compliance with the conditions of the donor, testator or creator of the endowment, if any. If the public nonprofit company is wishing to amend or to be relieved of any such conditions but is unable to obtain the consent of the donor, testator or creator of the endowment because of his death, disability or disappearance, it may resort to the competent Judicial Body to request the same, so that the competent Judicial Body shall decide on the matter as it deems fit based on the conditions set by the donor, testator or creator.

Article [194]

The Company's Profits

1. The non-profit company shall spend the profits generated from exercising its activities for the purposes and objects stipulated in its Memorandum or Articles of Association. The company may allocate any of its profits to develop its investments and expand its business as determined by the Regulations.

2. The non-profit company shall not distribute any of its profits to any of the company's members, managers, board members or employees, unless the same belongs to the non-profit company's disbursement channels and objects. The Regulations shall specify the maximum percentage of profits that may be distributed in accordance with this paragraph.

3. The non-profit company may pay remunerations or any other reasonable benefits to its managers, members of its board of directors, or employees in return for the services and duties they provide to the company.

4. Any member of the non-profit company may institute a lawsuit before the competent Judicial Body on behalf of the company to request the recovery of any profits distributed or disbursed in violation of the provisions of this Article.

5. The personal creditor of any member of the public non-profit company may not request enforcement against the shares of that member or on the rights related thereto.

Article [195]

Establishment by Public Entities and Employees of Non-Profit Companies

1. Subject to the relevant laws and resolutions, the government entities, public bodies and institutions, universities and other permitted corporate bodies may establish Nonprofit Companies.

2. Public sector's employees may found or co-found public non-profit companies.

Article [196]

Exemptions

As an exception from the relevant Laws, the Zakat, Tax and Customs Authority, in coordination with the Ministry, shall set up the necessary controls for relieving the non-profit companies of the provisions of levying zakat and exempting them from taxes, and deducting the donations made to these companies when determining the tax base of the taxpayer.

Part VIII: The Professional Company

Article [197]

Definition of the Professional Company

The Professional Company is company incorporated by one or more persons who are duly licensed to engage in one or more of the liberal professions or by any of them in

association with third parties. The Professional Company's objects shall be to practice the profession's activities.

Article [198]

Legal Form of the Professional Company

The professional company shall have one of the legal forms included in Article [4] of this Law.

Article [199]

Entry into Force of the Provisions Regulating the Company's Legal Form

1. The provisions of the Law shall apply to the Professional Company where no relevant specific provision is included in this Part, and in a manner that does not conflict with its nature.

2.The partner or shareholder of a professional company, whatever its form may be, shall not acquire the capacity of a merchant based on his partnership or ownership of shares or equity stakes in the company.

Article [200]

Incorporation of the Professional Company

1. The persons duly licensed to practice any single liberal profession may incorporate, among themselves, a Professional Company in any of the legal forms mentioned in Article [4] of the Law.

2. Any person duly licensed to practice one liberal profession may incorporate a joint stock professional company or a simple joint stock or one-person limited liability professional company to practice his professional activities through it. If the person concerned is duly licensed to practice more than one liberal profession, he may practice all or any of such professions through the company, subject to fulfilling the conditions and controls determined by the Regulations.

3. A professional company may be established by persons duly licensed to practice more than one liberal profession, and, likewise, a professional company may be established by persons duly licensed to practice one or more liberal professions and non-Saudi professional companies. The Regulations shall determine the conditions governing the establishment of such companies and the controls regulating their activities.

4. Any natural person, who is not licensed to practice the relevant profession or the liberal professions, may get involved in or contribute to any professional company, except for the General Partnership, Limited Partnership and Partnership Limited by Shares, as an active partner. Any legal person may also get involved in or contribute to the professional company. The Regulations shall set out the conditions and controls governing this matter, as well as the general rules for the management of such type of professional companies, in order to ensure the preservation of the independence of professional partners or shareholders in the practice of their profession.

Article [201]

Participation in more than one company

Neither the partner nor shareholder of a professional company, who are practicing a liberal profession, may get involved in or contribute to any other professional company that practices the same liberal profession, unless the company's memorandum of association or Articles of Association so provide, without prejudice to the relevant laws. The regulations shall set out the provisions and controls in which a partner or a licensed shareholder may get involved or contribution in another professional company.

Article [202]

Establishment and Dissolution of the Professional Company

1.The professional company shall be established in accordance with the incorporation procedures prescribed for the legal form of the company.

2. The partners or shareholders of the professional company may dissolve it only after announcing the same and informing all those dealing with it in writing according to the procedures specified by the Regulations.

Article [203]

Practice of the Profession

The professional company shall practice the liberal profession(s) involving its activities only through its duly licensed partners or shareholders. However, the professional company may, for the sake of performing its business activities, seek the assistance of persons duly licensed to practice the profession or professions involving its activities, provided that such persons shall be subject to the supervision and responsibility of the company.

Article [204]

Activities of the company

1. The professional company shall practice the liberal profession(s) involving its activities on an exclusive basis.
2. The professional company may neither carry on business activities nor get involved in the incorporation of commercial companies or any other professional company. However, it may own financial and real estate assets for serving its objects, in accordance with the controls established by the Regulations.

Article [205]

Supervision on the company

1. In the course of practicing the liberal profession(s) involving the company's activities, the professional company shall be subject to the supervision of the official authority or authorities legally concerned with supervising the practice of such professions.

2. The professional company shall abide by the provisions of the rules and regulations set by the concerned authority or authorities according to its competence.

3. The concerned authority may review and inspect the company's professional records and documents - within the limits of its competence - to verify its compliance with the provisions of the regulations related to the liberal profession subject of its activity, and the professional company shall comply to submit the required documents.

Article [206]

Practice of a Partner's or Shareholder's Liberal Profession

1. The partner or shareholder of the professional company may practice his own liberal profession only through the company, unless the professional company is owned by one person.

2. Notwithstanding the requirements of Paragraph [1] of this Article, the partner or shareholder may practice his own liberal profession away from the company if the same has obtained the written agreement of the remaining partners or the approval of the General Meeting, as the case may be.

3. If the partner or shareholder breaches either of paragraphs [1]and [2] of this Article, the fees and other financial benefits he receives shall accrue to the Company.

Article [207]

Management of the Company

1. Without prejudice to the provision of Paragraph [2] of this Article, the professional company shall be managed by one or more of its partners or third parties. If the company is managed by one person, the latter shall be from among the licensed partners, and if more than one person are performing the management duties of the company, the licensed partners shall not be less than the number determined by the Regulations. The company's Memorandum or Articles of Association shall determine the conditions of appointment of the manager as well as his powers, remuneration, term of office and the method of his removal from office.

2. The professional joint stock company shall be managed by a board of directors comprising a number of its shareholders or others. The regulations shall specify a number of members of the Board of Directors who shall be authorized shareholders. The company's article of association shall determine the Board powers and the provisions relating to its composition.

Article [208]

Independence of Partners or Shareholders

The authority of the manager or board of directors of the professional company – owned by more than one person – may not include prejudice to the independence of partners or shareholders upon practicing their liberal professions.

Article [209]

Liability for Wrongful Acts

1. Each partner or shareholder of the professional company shall be personally liable for his professional mistakes vis-a-vis the company and the other partners or shareholders, as the case may be.
2. The professional company shall be liable for compensating the damage caused to third parties due to the professional mistakes of its partners or shareholders or its affiliates, as the case may be.

Article [210]

Insurance Coverage of Professional Liability

The Minister may - by a resolution – make the professional company's practice of certain activities or transactions conditional upon obtaining insurance coverage for professional liability, in coordination with the competent authorities in charge of supervising the professional practice.

Article [211]

Loss of License to Practice Liberal Profession

1. If a partner or shareholder of a professional company loses a license to practice a liberal profession temporarily, he shall immediately refrain from working in the company until the license is restored. If he is the only practitioner of this profession among the other partners or shareholders, or the only owner of the professional company, the company shall stop practicing the profession until the license is restored. The MOA or AOA of the company shall indicate how its profits and losses are distributed when either of such cases occurs, for the professional company other than the company owned by one person.

2. If a partner or shareholder of a professional company irrevocably loses his license to practice a liberal profession, he shall be deemed to have withdrawn from the company, unless the company's MOA or AOA stipulates that he remains a partner or shareholder

unlicensed to practice the profession in the company, provided that the conditions and controls mentioned in Article [200.4] of the law are fulfilled.

3. If a partner or shareholder of a professional company irrevocably loses the license to practice a liberal profession and is the only practitioner of that profession among the partners or shareholders, if the professional company is owned by one person, or if the death of a partner or shareholder of a professional company or his assignment of his stake or shares deprive the company of the sole practitioner of a liberal profession among its partners or shareholders; The company shall stop practicing that profession, and, in which case, the company shall be granted a time limit of six [6] months to adjust its affairs in accordance with the provisions of the law. In addition, the minister may extend such a time limit for a similar period if deemed necessary. The company shall expire when such a time limit expires without its affairs being adjusted.

Article [212]

Death of Partner or Shareholder

1. If a partner of the limited liability professional company or a shareholder of the professional joint stock company or of the professional simple joint stock company dies, his stake or shares – as the case may be – shall be transferred to his heirs, unless the company's MOA or AOA stipulates otherwise.

2. If a partner of the professional General Partnership dies, the Partnership shall continue among the other partners, and the equity stake of such a partner shall accrue to his heirs. In addition, the equity stake of the deceased partner shall be valuated by one or more accredited appraisers, who shall prepare a report indicating the fair value of the share of each partner in the company's property as at the date of the partner's death. The heirs shall have a share in the subsequent property only insofar as such rights arise from transactions preceding the death of their Legator.

3. The MOA of the professional General Partnership or a special agreement between the deceased partner's heirs and the remaining partners of the Partnership may provide that the deceased partner's heirs shall replace their Legator as partners of the Partnership by

converting the same into a limited partnership, joint stock company, simple joint stock company or limited liability company. In the event that the Partnership is converted into a Limited Partnership, the heirs shall acquire the capacity of a silent partner.

4. If a partner of the professional limited partnership dies, his stake shall be transferred to his heirs, unless the company's MOA stipulates otherwise. In case of their participation in the partnership, the heirs shall have the capacity of a silent partner.

Article [213]

Transfer of Equity Stakes or Shares to Heirs

1. For the equity stakes or shares transferred from the deceased partners or shareholders of the professional company to their heirs, the conditions and controls set out in Article [200.4] of the law shall apply.

2.If any of the heirs is licensed to practice the profession or any of the professions that are practiced by the professional company, such an heir may become a partner or shareholder practicing his profession through the company, if either the majority of the partners agree or the approval of the General Assembly on the same is obtained. If they do not agree, the heir will become a non-practicing partner or shareholder, and, in which case, he may practice his profession away from the company, notwithstanding the provision of Article [206] of the law.

3. Notwithstanding the provision of Article [201] of the law, if any of the heirs is a partner or shareholder - practicing the profession – at another professional company that practices the same liberal profession, he may hold the equity stakes or shares inherited by him as a non-practicing partner or shareholder.

Article [214]

Interdiction, Insolvency or initiation of Liquidation Proceedings against Active Partner

The MOA of the Professional General Partnership and the Professional Limited Partnership shall set out the consequences of interdiction or insolvency of, or initiation of liquidation proceedings against, the active partner according to the Bankruptcy Law.

Article [215]

Conversion of Professional Company

The partners or shareholders of the professional company may convert it into any of the legal forms of companies mentioned in Article [4] of the law, after fulfilling the conditions and controls set forth in both the law and the regulations.

Part IX: Holding Company and Subsidiary

Article [216]

The Holding Company

The Holding Company is a joint stock company, simple joint stock company or limited liability company that establishes companies or holds equity stakes or shares in existing companies that become subsidiaries thereof.

Article [217]

The Subsidiary

The company shall become a subsidiary of a holding company in any of the following cases:

A. If the holding company is a partner or a shareholder that holds equity stakes or shares in the capital of the subsidiary, which grants it the majority of voting rights.

B. If the holding company is a partner or a shareholder, which, by itself, controls the appointment of the manager or the majority of members of the board of directors, or has the right to dismiss the manager or the majority of board members.

c. If the holding company is a partner or a shareholder, which, by itself, controls the majority of voting rights, based on an agreement with the rest of the partners or shareholders.

D. If the subsidiary is a subsidiary of a holding company's subsidiary.

Article [218]

Holding Equity Stakes or Shares in the Holding Company

1. The subsidiary shall not hold equity stakes or shares in the holding company. Any action that transfers ownership of shares or equity stakes from the holding company to the subsidiary shall be null and void.

2. If the subsidiary company holds equity stakes or shares in the holding company before becoming a subsidiary thereof, the following matters be observed:

A. The subsidiary shall have no right to make or vote on decisions in the holding company.

B. The subsidiary shall disposes of such equity stakes or shares in the holding company within [12] months following the date of its subordination to the holding company, and the Competent authority may extend such a time limit.

3. The provisions of Paragraphs [1] and [2] of this Article shall not apply to persons authorized by virtue of the provisions of the Capital Market Law and its Executive Regulations, if their ownership of equity stakes or shares in the Holding Company occurs within the ordinary course of their business activities. The competent authority may determine other cases where the provision of this Article shall not apply.

Article [219]

Application of the Provisions of this Part

The regulations shall specify the provisions necessary to implement the matters set forth in this Part.

Part X: Corporate Conversion, Merger and Split-up

Chapter I: Conversion of Companies

Article [220]

Conversion of Company into another Legal Form

1. The company may be converted into any other legal form under a decision to be issued in accordance with the conditions regulating the amendment of its MOA or AOA, provided that the conditions of incorporation, registration and publicity governing the legal form into which the company has been converted are fulfilled.

2. Unanimous consent of the partners or shareholders shall a legal prerequisite for converting the company into simple joint stock company.

3. Owners of Sole Proprietorships may convert their assets into any legal form of the companies incorporated based on the provisions of the law. Such incorporation shall not relieve the owners of sole proprietorships of their liability for the debts and obligations of sole proprietorships prior to the establishment of the company, unless the creditors explicitly accept the same.

4. Without prejudice to the possibility of conversion based on Paragraph [1] of this Article, as well as the conditions of incorporation, registration and publicity applicable to the joint stock company, the General Partnership, Limited Partnership and the limited liability company may be converted into a joint stock company if so requested by the partners holding more than half of the capital, unless the MOA stipulates a lower ratio, provided that all equity stakes of the company requesting the conversion are owned by persons who are relatives by blood or marriage, or that such equity stakes include those owed by an endowment or arising out of the will of any partner. Any condition that goes against this paragraph shall be null and void.

Article [221]

Conversion of Non-Profit Company

1. Subject to the provision of Article [220.1] of the Law, any private – and not public - non-profit company may be converted into any legal form of the companies, unless the company's MOA or AOA stipulates otherwise, provided that any amounts in excess of the capital upon incorporation, including, among others, profits, reserves, gifts or others, shall be spent for the non-profit purposes and channels described in their MOA or AOA, and such a company shall reimburse any exemptions granted thereto. The regulations shall specify the relevant provisions in this regard.

2. Any company may be converted into a public or private non-profit company based on the unanimous consent of the partners or shareholders.

Article [222]

Objection to The Conversion Decision

Without prejudice to the provisions of assignment of equity stakes or shares applicable to each legal form of the companies, the partners or shareholders, who object to the conversion decision, may request withdrawalfrom the company, based on a written application to be submitted to the company within [fifteen] days following the issuance date of the decision. In which case, the value of their equity stakes or shares shall be paid according to the agreed value or according to a report to be prepared by one or more accredited appraisers showing an estimation of the fair value of their equity stakes or shares as at the date of conversion, unless the company's MOA or AOA stipulates otherwise. The objector may, in case of disagreement, resort to the competent Judicial Body.

Article [223]

Post-Conversion Personality of the Company

The conversion of the company shall not result in the emergence of a new legal person, and the company shall continue to retain its rights and to be liable for its obligations arising prior to the conversion.

Article [224]

Absolving the General Partners

The conversion of a general partnership or limited partnership into any legal form of the companies shall not relieve the general partners of their liability for the post-conversion debts of the company, unless the creditors explicitly accept the same, or if none of them objects to the conversion decision within [thirty] days following the date of being informed of the decision by registered letter or by means of modern technology.

Chapter II: Corporate Merger

Article [225]

Merger Proposal

1. The merger shall take place when one or more companies join forces with another existing company, or when two or more companies join forces with each other to establish a new company.

2. The merger proposal shall be prepared in order to be approved by each company that is a party to the merger transaction, in accordance with the conditions governing the amendment of its MOA or AOA. The merger proposal shall specify the merger conditions, and shall indicate the nature and value of the compensation, including the number of equity stakes or shares belonging to the acquiree in the capital of the acquirer or of the new company arising from the merger, and details of the ability of each company involved in the merger transaction to pay off its own debts.

3. Subject to the provisions of the relevant laws, the company may, even if it is undergoing liquidation, based on the provisions of the law, merge with any other company of the same or different legal form.

4. The merger shall be valid only after the assets of each company involved are valuated.

5. The consideration for merger shall be equity stakes or shares in the acquirer or the new company arising from the merger.

6. The competent authority may set up the controls and procedures for implementing the requirements of this Article, including the cash consideration for the purchase of fractional stakes or shares, or to compensate the partner or shareholder objecting to the merger decision, as well as the controls that govern voting by the partner or shareholder in the event that the latter has a personal interest other than his interest as a partner or shareholder of company.

Article [226]

Merger of Company with its Parent Company

The regulations shall set up the controls for regulating the merger of one or more companies with a company that is fully owning it, the merger of two or more companies

fully owned by the same partners or shareholders, and may exempt such cases from any of the provisions set out in this Part.

Article [227]

Objection to the Merger Decision

1. Each company involved in the merger transaction shall announce the same at least [thirty] days before the date set for making the decision and voting on the merger proposal.

2. Any of the creditors of the acquiree may object to the merger by sending a registered letter to the company or through any of the means of notification specified by the announcement referred to in Paragraph [1] of this Article, within [fifteen] days following the date of announcement. The company shall either settle the objecting creditor's debt if it immediately due, or provide a sufficient security for settlement if it is due in the future.

3. The creditor, who notifies the company of his objection to the merger transaction in accordance with paragraph [2] of this Article and whose debt has not been settled if it is immediately due, or no sufficient security has been provided to settle such a debt if it is due in the future, may submit an application to the competent judicial body not later than [ten] days prior to the date set for the merger decision to be made. In which case, the competent judicial body may order that the debt be settled if it is immediately due or that adequate security be provided if it is due in the future. If the competent judicial body is convinced that the merger would result in serious damage to the objecting creditor where neither the acquiree nor the acquirer would be able to settle the debt or provide sufficient security, it may order the suspension or postponement of the merger transaction, provided that such an order shall be issued prior to the effective date of the merger decision. If the competent Judicial Body fails to decide on the objection of the creditor prior to the effective date of the merger decision, and is subsequently convinced that the objecting creditor's claim is valid, it may issue a decision to compensate such a creditor for the damage sustained thereby as a result of the merger.

Article [228]

Entry into Force of Merger Decision

The merger decision shall enter into full force and effect as of the date of entering the details of the acquiree in the commercial register of the acquirer with the Commercial Registration Office. Other than that, the merger decision become effective as of the date of registration of the new company with the Commercial Registration Office.

Article [229]

Rights, Obligations, Assets and Contracts of the Acquiree

Upon entry into force of the merger decision, all rights, obligations, assets and contracts of the acquiree[s] shall be transferred to the acquirer or to the new company arising from the merger. The acquirer or the new company shall be considered the successor to the acquiree[s].

Article [230]

Compelling the Purchase and Sale of Shares

1. Without prejudice to the provisions of the Capital Market Law, when one or more persons acting by unanimous agreement increase their ownership to such an extent that they, severally or jointly with the persons acting in agreement with them, own up to ninety percent [90%] or more of the shares of a joint stock company that have voting rights, whether directly or indirectly, or when they enter into an unconditional contractual arrangement to purchase such a ratio, they shall disclose the same to the company's shareholders. Any of the company's shareholders may, within ninety [90] days following the date of disclosure, submit an application to the owner of such ownership ratio or to the buyer to submit an offer to purchase his own shares. in which case, the owner or buyer shall submit such an offer to purchase the shareholder's shares.

2. Without prejudice to the provisions of the Capital Market Law, the shareholder who owns ninety percent [90%] of the shares of the joint stock company that has voting rights, whether directly or indirectly, and the party who enters into an unconditional contractual arrangement to buy such ownership ratio, may submit an application to the competent authority not later than sixty [60] days following the date on which his ownership ratio reaches such a limit or on which he enters into the unconditional contractual

arrangement to purchase such ratio, to obtain its approval to make a mandatory offer to compel other shareholders to sell their shares.

3. Any shareholder of a joint stock company may, within [sixty] days following the date on which an offer is made to buy his shares in the company in accordance with paragraph [1] of this Article, or on which the mandatory offer is made to buy his shares in the company pursuant to Paragraph [2] of this Article, may resort to the competent Judicial Body to object to the purchase price. In the event of the mandatory offer in accordance with Paragraph [2] of this Article, the mandatory offer may be suspended only by a decision of the competent authority, and the settlement of the mandatory offer shall occur within seven [7] days following the expiry date of the time limit granted to the shareholders to express their objection, unless the competent Judicial Body orders otherwise.

4. The regulations shall determine the necessary controls for applying the provisions of this Article, including, inter alia, the controls on disclosure, purchase price and time periods related to the cases mentioned in Paragraphs [1] and [2] of this Article.

Chapter III: Corporate Split-up

Article [231]

Legal Form of the Target Company

The company may be split into two or more companies, even if it is undergoing the liquidation process. The target company or companies resulting from the split-up may adopt any of the legal form of companies set out in Article [4] of the law.

Article [232]

Split-up Decision

The company's split-up decision shall be issued in accordance with the conditions governing the amendment of its MOA or AOA. The split-up decision shall include details of the number of partners or shareholders, the share of each of them in both the new company arising from the split-up and the company undergoing split-up, the rights and obligations of such companies, and how the assets and liabilities are distributed among them.

Article [233]

Debts and Obligations of the Company Undergoing Split-up

The new company arising from the split-up shall be a successor of the company undergoing split-up, within the limits of the property transferred thereto in accordance with the split-up decision. However, the creditors of the company undergoing split-up may submit a claim to both companies or the companies arising from the split-up to settle their debts and obligations incurred by the company undergoing split-up, and such two or more companies shall be jointly liable for the settlement of such debts and obligations; except for cases where an agreement is reached with the creditors that their rights to claim their debts will be transferred to the new company arising from the split-up to which the debts and obligations have devolved.

Article [234]

Controls of Split-up

The regulations shall determine the controls relating to the split-up of the company, including the procedures, conditions and terms required to be satisfied for the split-up, depending on the legal form of the company.

Part XI: Foreign Companies

Article [235]

Foreign companies to which the Provisions of the Law Apply

Without prejudice to the special agreements between the Kingdom and some foreign countries or companies, and the laws applicable in the Kingdom, and with the exception of the provisions governing the establishment of companies, the provisions of the Law shall apply to foreign companies that carry on their business activities within the Kingdom.

Article [236]

Conducting Business within the Kingdom

The foreign company shall conduct its business activities within the Kingdom through a branch, representative office, or any other legal form, in accordance with the Foreign Investment Law and other relevant statutory provisions.

Article [237]

Data to be included in the Company's Documents

Every branch or representative office of a foreign company shall print its address in the Kingdom on all its papers, documents and publications, in addition to the company's full name, address and headquarters.

Article [238]

Finance of the Company's Branch

1. The application for registration of the foreign company's branch shall include the start and end dates of the branch's fiscal year.

2. Apart from the representative offices, the foreign company's branch shall prepare the financial statements on its business activities within the Kingdom in accordance with the accounting standards generally accepted in the Kingdom, and shall deposit these documents, along with the auditor's report thereon, within six [6] months of the end of the fiscal year of that branch, as determined by the Regulations.

3. The Auditor may be appointed by a resolution of the manager of the Foreign Company's branch, based on an authorization from the foreign company.

Article [239]

Headquarters of the Foreign Company

The branch or representative office of the foreign company within the Kingdom shall be deemed as its headquarters in respect of its activity and business inside the Kingdom, and all applicable laws of the Kingdom shall apply thereto.

Article [240]

Liability for Violations

If the foreign company conducts its business before it has completed the licensing procedures – if any - and before being registered with the commercial registration office, or if it has performed activities that go beyond the scope of the licensee, the company

together with the person[s] who performs such activities shall both be jointly liable for the same.

Article [241]

Temporary Registration

If the foreign company is present in the Kingdom specifically for carrying out particular activities over a specified period of time, it shall be temporarily registered with the commercial registration office. Such registration shall expire upon the completion and implementation of such activities, and the company shall be deregistered upon the liquidation of its rights and obligations, in accordance with the provisions of the Law and other applicable laws. However, the company may continue to exist in the Kingdom subject to satisfaction of the necessary legal requirements. The Ministry may, in coordination with the Ministry of Investment, set up the necessary controls for applying the provisions of this Article.

Part XII: Termination and Liquidation of the Company

Article [242]

Examination of Company's Financial Position

1. The managers or board members of the company shall - before the partners, the general assembly or the shareholders decide to dissolve the company - prepare a statement confirming that they have examined the company's situations, that the company's assets are sufficient to pay off its debts at the end of the proposed liquidation period, and that the company is not insolvent in accordance with the Bankruptcy Law. Such a statement shall be presented, within thirty [30] days following the date of its preparation, to the partners, the General Assembly or the shareholders to make a decision to dissolve the company.

2. If the statement - referred to in Paragraph [1] of this Article – indicates that the company's assets are not sufficient to pay off its debts or that the company is insolvent in accordance with the Bankruptcy Law, the partners, the General Assembly or the shareholders may not decide to dissolve the company; otherwise, they shall become jointly liable for any outstanding debt of the company.

Article [243]

General Reasons for Termination of the Company

Subject to the reasons for termination of each legal form of company, the company shall be terminate for any of the following reasons:

a. The expiration of its term - if it is of a fixed nature - unless such a term is extended in accordance with the provisions of the Law;

b. Where the partners or shareholders agree to dissolve the company; or

c. Where a final judgment that orders the dissolution or invalidity of the company is rendered by a competent court.

Article [244]

Liquidation of the Company

1. Once the company has been terminated, it shall undergo liquidation in accordance with the provisions of the Law, and the partners, the General Assembly or shareholders shall initiate the liquidation procedures. In addition, the company shall retain the legal personality insofar as needed to complete its liquidation activities.

2. If the company is terminated for any of the termination reasons set forth in the Law, the partners, shareholders, managers or board of directors of the company, as the case may be, shall prepare the statement referred to in Article [242.1] of the Law, unless the same has already been prepared before the company's termination and the period following the date of its preparation does not exceed [30] days.

3. If the company is terminated and its assets are not sufficient to settle its debts, or if it is insolvent according to the Bankruptcy Law, it shall submit an application to the Competent Judicial Body to initiate liquidation proceedings in accordance with the Bankruptcy Law.

4. If the company is liquidated in violation of the provisions of this Article, the partners, shareholders, managers or board of directors of the company, as the case may be, shall be jointly liable for any outstanding debt owed by the company.

5. The Public Non-profit Company may be liquidated only after obtaining prior approval of the Ministry.

Article [245]

The Liquidation Mechanism

The liquidation shall be carried out in accordance with the provisions of the Law, unless the company's MOA or AOA provides otherwise or the partners agree on how to liquidate the company upon termination.

Article [246]

Management of Company During Liquidation

1. The authority of the company's manager or board of directors shall cease to exist upon termination of the company. However, they shall remain in charge of the management of the company, and shall be deemed the liquidator vis-à-vis third parties until the liquidator is appointed.

2. The company's general assembly shall continue to exist during the liquidation period, and its role shall be limited to exercising the functions that do not conflict with the competencies of the liquidator.

3. During the liquidation period, the partner or shareholder shall have the right to review the company's necessary documents as determined in the Law or in the company's MOA or AOA.

Article [247]

Number of Liquidators and Liquidation Period

1. The liquidation shall be carried out by one or more liquidators from among the partners, shareholders or third parties.

2. The period of liquidation shall not exceed three years in accordance with the Law, and may be extended only based on an order of the Competent Judicial Body.

Article [248]

Liquidator Appointment decision

1. The liquidator shall be appointed based on a resolution of the partners, the General Assembly or the shareholders, in accordance with the conditions governing the amendment of the company's MOA or AOA depending on the company's legal form, not later than sixty [60] days following the termination date of the company. If it is not possible to appoint the liquidator during such a period, the same shall be appointed by a decision of the Competent Judicial Body based on a request submitted by any of the partners, shareholders or stakeholders.

2. Notwithstanding Paragraph [1] of this Article, if the company's termination is the result of its dissolution or invalidity under a final court judgment, the liquidator shall be appointed by a decision of the Judicial Body rendering the same judgment.

3. The Competent Judicial Body shall, before issuing the liquidator appointment decision in accordance with the provisions of paragraphs [1] and [2] of this Article, order that the partners, shareholders, managers or board of directors of the company, as the case may be, submit the statement referred to in Article [242.1] of the Law or submit the necessary data, accounting records or financial statements, if any, which prove that the company's assets are sufficient to settle its debts at the end of the liquidation period as stipulated in this Part and that the company is not insolvent in accordance with the Bankruptcy Law, not later than thirty [30] days following the date of the application. If the Competent Judicial Body is convinced that the company's assets are not sufficient to settle its debts, it shall take the necessary actions to initiate liquidation proceedings in accordance with the Bankruptcy Law.

4. In all cases, the liquidator appointment decision shall include details of its powers and fees, the restrictions imposed thereon, if any, and the period required for liquidation.

Article [249]

Registration and Announcement of Liquidator Appointment Decision

The liquidator shall register and announce its appointment decision with the commercial registration office, and its appointment or liquidation proceedings shall be deemed effective vis-à-vis third parties only as of the date of such registration and announcement.

Article [250]

Removal of the Liquidator

1. The liquidator shall be removed in the same manner of its appointment. In all cases, the Competent Judicial Body may, based upon the request of any of the partners, shareholders or creditors of the company, for acceptable reasons, decide that the liquidator be removed from office.

2. The decision or judgment on removing the liquidator shall include the appointment of the a replacement liquidator and the details of its powers and fees.

Article [251]

Several Liquidators

If there are several liquidators, they shall work together, and their actions shall be valid only by their unanimous consent, unless otherwise indicated in their appointment decision or authorized by the party that appoints them.

Article [252]

Powers of The Liquidator

1. Subject to the restrictions contained in the liquidator appointment decision, the liquidator shall represent the company before the judiciary, arbitral tribunals and third parties. The liquidator shall carry out all the activities required by the liquidation process, including, in particular, the conversion of the company's assets into cash money, including the sale of movable or immovable assets on auction or by any other means that ensures the obtaining of the highest possible price.

2. The liquidator may either sell the company's assets on a wholesale basis, or provide the same as an equity stake in any other company, if so authorized by the entity that appoints it.

3. The liquidator may start new activities only if they are necessary to complete previous ones.

4. The company shall be bound by the liquidator's activities that fall within the scope of its power.

5. The liquidator's powers shall cease to exist upon the completion of the liquidation activities or upon the expiry of liquidation period, whichever is earlier, unless extended according to the provisions of the Law.

Article [253]

Inventory Count of Assets and Liabilities

1. The company's manager or board of directors shall submit to the liquidator the company's books, records, documents, clarifications and data required by the liquidator.

2. The liquidator shall prepare, within ninety [90] days following the date of commencing its job, an inventory count of all the company's assets and liabilities, and shall require the company's auditor - if any – to draw up a report on such inventory. In addition, the entity that appoints the liquidator may extend such a time limit, if necessary.

3. The liquidator shall prepare, at the end of each fiscal year, financial statements and a report on the liquidation activities, including the liquidator's observations and reservations on the liquidation activities, the reasons that hinder or delay their timely implementation, if any, and proposals to extend the liquidation period. The liquidator shall provide the commercial registration office with a copy of such documents and shall submit them to the partners, the General Assembly or shareholders to be approved in accordance with the provisions of the Company's MOA or AOA.

Article [254]

Insufficient Assets

If, at any time during the liquidation period, the liquidator is convinced that the company's assets fall short of settling its debts, the liquidator immediately inform the partners, shareholders and creditors of the company of the same, and shall submit to the Competent Judicial Body an application to initiate liquidation proceedings in accordance with the Bankruptcy Law.

Article [255]

Settlement of Debts

1. The liquidator shall settle the company's debts if they are immediately due for settlement, or set aside the sums necessary for settlement if they are either due in the future or a matter of dispute.

2. Debts arising from liquidation shall have priority over other debts.

3. The liquidator shall, after the settlement of the debts, pay back to the partners or shareholders the value of their capital stakes or shares, and then distribute the surplus to them according to the provisions of the company's MOA or AOA. If the MOA or AOA does not include provisions in this regard, the surplus shall be distributed to partners or shareholders pro rata their capital contributions.

4. If the company's net assets fall short of settling the value of partners' stakes or shareholders' shares, the loss shall be distributed among them according to the applicable loss distribution ratio.

Article [256]

Disposition of Nonprofit Company's Property

1. When the Nonprofit Company is liquidated, its property shall be transferred to the persons or non-profit entities names in the company's MOA or AOA.

2. If the Nonprofit Company's net assets have resulted from a gift, bequest or endowment, they shall be transferred to persons or non-profit entities designated by the donor, testator or endowment creator.

3. If the company's MOA or AOA does not designate the persons or non-profit entities to whom the property thereof is to be transferred, and if the donor, testator or endowment creator fails to designate the same, the property shall be transferred – subject to prior approval of the Ministry - to non-profit entities or persons that have purposes and disbursement channels similar to that of the purposes and disbursement channels specified for such property.

4. The non-profit entities or persons to which the property is transferred shall use the same for the purposes and disbursement channels designated.

Article [257]

Completion of Liquidation

1. The liquidator shall submit, upon the completion of the liquidation work, a detailed financial report on the activities carried out. The liquidation shall come to an end when such a report is approved by the entity appointing the liquidator.

2. The liquidator shall register and announce the completion of liquidation in the commercial register. The completion of liquidation work shall become valid vis-à-vis third parties only after the company's name is removed from the commercial register.

Article [258]

Liability of Liquidator

1. The liquidator shall be liable for reimbursing the damage sustained by the company, partners, shareholders or third parties as a result of exceeding the limits of its powers or due to the errors committed in the performance of its duties.

2. The liability shall be either personal that extends to a single liquidator, or joint that extends to all liquidators if there are several liquidators and the underlying decision is

unanimously issued by them, unless they each have the right to operate individually in accordance with the provision of Article [251] of the Law.

Article [259]

Inadmissibility of Liability Lawsuit

Except for fraud and forgery cases, the lawsuit instituted against the liquidator shall not be heard after the lapse of five [5] years following the date of removing the company's name from the commercial register.

Article XIII: Penalties

Article [260]

Penalties for Major Offenses

Without prejudice to any more severe penalty set forth in any other law, the penalty of imprisonment sentence for a term not exceeding three [3] years and / or a fine not exceeding [SAR 5,000,000] five million riyals, shall be imposed on:

a. Any manager, officer, board member, auditor or liquidator, who willfully records false or misleading data in the company's financial statements, reports or statements on the reduction of the company's capital or insufficiency of the company's assets to settle its debts upon liquidation, as well as other reports and statements that are presented to the partners, the General Assembly or shareholders in accordance with the Law, or willfully omits to include a material incident in any of such statements with a view to concealing the company's true financial position.

b. Any manager, officer or board member, who knowingly uses the company's property, takes advantage of the powers vested in him or of the voting rights accruing to him in such a manner that goes against the company's interests, with the aim of achieving personal interests, favoring a company or person, or taking advantage of a particular deal or project in which he may have direct or indirect interests.

c. Any liquidator who knowingly uses the company's property, assets or rights that are in the possession of third parties in such a manner that goes against the company's interests,

or willfully causes damage to the company's partners, shareholders or creditors, with the aim of achieving personal interests, favoring a company or person, taking advantage of a particular deal or project in which he may have direct or indirect interests, or unlawfully prioritizing a creditor over another with regard to the settlement of its rights.

Article [261]

Penalties for Minor Offenses

Without prejudice to any penalty set forth in any other law, the penalty of imprisonment sentence for a term not exceeding one [1] year and / or a fine not exceeding [SAR 1,000,000] one million riyals, shall be imposed on:

a. Every auditor who fails to notify the company, through the management officers or bodies, of the violations discovered in the course of performing its work that appear to be involving criminal offenses;

b. Whoever obtains, or is promised to obtain, any benefit or reward in return for voting for or against a particular side or abstaining from voting, with the aim of causing damage to the interests of the company, as well as whoever grants, guarantees or gives promises to provide any such benefits;

c. Whoever announces, publishes or declares any information by any means whatsoever, with the aim of giving the impression that a particular company, whose registration procedures have yet to be completed, has been officially registered;

d. Any public employee who discloses to a non-competent body the company's secrets that come to his knowledge *ex officio;*

e. Whoever, in order to attract contributions or solicit subscriptions, fraudulently publishes the names of persons and designates them as either belonging, or will be belonging, to the company in whatever way;

f. Whoever, in bad faith, decides to distribute, distributes or receives profits or proceeds, in violation of the provisions of the Law or of the company's MOA or AOA, as well as every auditor who becomes aware of, and fails to disclose in its report, such a situation;

g. Whoever knowingly overestimates or submits false statements or information from the partners, shareholder or third parties, in respect of the valuation of in-kind contributions, the distribution of equity stakes among the partners or shares among the shareholders or the fulfillment of their full value, whether upon incorporation of the company, upon increase of its capital or upon change of the distribution of stakes among the partners or shares among the shareholders;

h. Any manager, officer, board member or auditor, who fails to convoke the General Assembly of Partners or Shareholders - or fails to the necessary action in this regard, as the case may be, when he became aware that the losses have reached the limits defined in accordance with the provisions of Articles [132] and [182] of the Law;

i. Any manager, officer, board member, auditor or liquidator who exploits or discloses any of the company's secrets with the intent to inflict damage upon the latter;

j. Whoever willfully obstructs, or causes to be obstructed, the work of those who have the right - by virtue of the law - to get access to the company's papers, documents, accounts, records and statements, or refuses to enable them to perform their duties; or

k. Any person who is appointed for conducting an inspection of the company and willfully indicates in his reports false information, or omits to indicate therein material facts that would affect the outcome of the inspection mission.

Article [262]

Penalties for Violations

Without prejudice to any penalty provided for in another law, a fine not exceeding [SAR 500,000] five hundred thousand riyals shall be imposed on:

A. Whoever obstructs the call for, or convention of, the general assembly meeting of partners or shareholders, or prevents a partner or shareholder from participating in a general assembly meeting or from exercising his voting rights related to his equity stakes or shares in the company, in violation of the provisions of the law;

B. Whoever fails to perform his duty for convoking the general assembly meeting of partners or shareholders within the relevant time limit in accordance with the provisions of the law;

C. Whoever accepts appointment as a member of the board of directors of a joint stock company or continues to enjoy membership of the same in violation of the provisions of the law, as well as every member of the board of directors of a company in which such violations occur and becomes aware of the same but fails to object thereto in accordance with the provisions of the law;

D. Every member of the board of directors of a joint stock company who obtains a security or loan from the company in violation of the provisions of the law, as well as every member of the board of directors of a company in which such violations occur and becomes aware of the same but fails to object thereto in accordance with the provisions of the law;

E. Whoever fails to perform his duty to keep the company's accounting records and supporting documents to clarify its business details and contracts, to prepare financial statements in accordance with accounting standards approved in the Kingdom, or to file the same in accordance with the provisions of the Law;

F. Whoever fails to perform his duty to provide the competent authority with the documents stipulated in the Law;

G. Whoever fails to perform his duty to place the necessary documents at the disposal of the partner or shareholder in accordance with the provisions of the Law;

H. Whoever fails to perform his duty to prepare and record the minutes of meetings in accordance with the provisions of the Law;

I. Whoever fails to perform his duty to include any of the data mentioned in Article [12] of the law;

J. Whoever accepts to perform, or continues to perform, the auditor's duties in spite of being aware that there are reasons that preclude its performance of such acts in accordance with the provisions of the law;

K. Whoever fails to perform his duty to have the company registered with the Commercial Registration Office in accordance with the provisions of the Law, and whoever fails to have the amendment of the company's MOA or AOA registered with the Commercial Registration Office pursuant to the provisions of the law;

L. Whoever willfully includes in the company's MOA, AOA, other documents of the company, or the application for its establishment or the papers and documents accompanying such an application, any data that are untrue or involve violation of the provisions of the law, as well as anyone who knowingly signs such false documents or causes them to be registered with the Commercial Registration Office;

M. Every manager or board member of a professional company who violates the controls governing the activities of professional companies or the general conditions, controls and rules referred to in Article [200] of the law;

N. Whoever violates the provision of Article [202.2] of the law, and every manager or member of the board of directors of a professional company who violates the provision of Article [204] of the law;

O. Every manager, board member or sole proprietor of a professional company in the event that the latter is practicing a liberal profession without having among its partners or shareholders a person duly licensed to practice the same;

P. Every liquidator who fails to perform its duty in respect of the registration of the decision of his appointment or the registration and announcement of the completion of liquidation with the Commercial Registration Office pursuant to the provisions of the law;

Q. Whoever fails to take the necessary corrective measures to remedy the violation committed after being notified of the same in accordance with the provisions of the Law;

R. Every auditor who fails to perform his duties stipulated in the law; and

S. Every company or its officer who fails to observe the application of the provisions of the law and regulations, or fails to comply with the controls or decisions issued by the competent authority, without giving a reasonable reason.

Article [263]

Determination of Penalty

1. The penalty shall be determined depending on the severity, conditions, circumstances and effects of the underlying offense.

2. In case of recidivism, the penalties prescribed for the crimes stipulated in Articles [260] and [261] of the law shall be doubled. Whoever commits the same crime in respect of which a final judgment or decision of conviction has been issued within [three] years from the date of the issuance of that judgment or decision shall be considered a recidivist in respect of the provisions of the Law.

Article [264]

Alternative Penalties

1. The competent Judicial Body may, in addition to or in lieu of the penalties prescribed in Articles [260] and [261] of the law, impose any of the following penalties:

A. Send a warning to the person concerned;

B. Instruct the person concerned to take the necessary measures to avoid the occurrence of the crime, or to take necessary corrective measures to address its effects;

C. Instruct the person concerned to stop or refrain from carrying out the act involved in the case; or

D. Impose a ban on the membership in the board of directors of a joint stock company listed on the financial market.

2. The competent authority may, in addition to or in lieu of, the penalties prescribed in Article [262] of the law, impose any of the penalties set forth in Paragraphs [1/a] and [1/b] of this Article in relation to the violations.

Article [265]

Jurisdiction over Investigation and Prosecution

The Public Prosecution shall have the official jurisdiction to investigate into and prosecute the crimes described in Articles [260] and [261] of the law.

Article [266]

The Competent Judicial Body

1. The competent court shall consider and adjudicate on all civil and criminal cases and disputes arising from the application of the provisions of both the Law and the Regulations, and shall impose the relevant penalties for violating their provisions, with the exception of matters related to the joint stock companies listed on the financial market.

2. The Securities Dispute Resolution Committee shall consider and adjudicate on grievances filed against the CMA's decisions, all civil and criminal lawsuits and disputes arising from the application of the provisions of both the Law and the Regulations, and shall impose the relevant penalties prescribed for violating their provisions, in relation to joint stock companies listed on the financial market. The Committee shall apply the rules and procedures required to be applied in accordance with the Capital Market Law with

regard to the legal proceedings over which the Committee has the jurisdiction in accordance with the provisions of the Law.

Article [267]

Violations Committee

1. By virtue of a resolution of the Minister, a committee shall be formed at the Ministry of not less than three members, chaired by a legally qualified person. Such a committee shall have the jurisdiction to consider the violations described in Article [260] of the law and impose relevant penalties thereto, with the exception of the violations relating to the joint stock companies Listed on the financial market. The Minister shall have the authority to designate the violations for which direct penalties may be imposed without being referred to the Committee. The person, against whom the penalty decision is issued, may file a grievance against the same with the competent court within [thirty] days following the notification date according to the means of notification determined by the Regulations. The Committee's terms of reference and remunerations of its chairman, members and secretariat shall be determined by a decision of the Minister.

2. The CMA's board shall be responsible for imposing the penalties for the violations described in Article [262] of the law in relation to the joint stock companies listed on the financial market. Those against whom a decision is issued by the CMA's Board may file grievance against the same with the Securities Dispute Resolution Committee in accordance with the provisions of the Capital Market Law.

Article [268]

Capacity of Criminal Officer

1. The employees charged with detecting the acts described in Articles [260], [261] and [262] of the law, by virtue of a decision of the competent authority, shall have the capacity of criminal officers for detecting the crimes and violations stipulated in the law. For such a purpose, they may seize the documents papers deemed relevant to the crime or violation in question.

2. The Minister and the CMA's Board, as the case may be, may issue rules and controls that regulate the work and duties of the employees referred to in Paragraph [1] of this Article, and may set up rules for granting incentive financial rewards to the employees for detecting crimes and violations stipulated in the law.

Article [269]

Claim for Compensation

The application of the penalties set forth in this Part shall not prejudice the right of any person to claim compensation from anyone who has inflicted damage upon him as a result of committing any of the crimes and violations described in the law.

Article [270]

Supervision of Companies

The competent authority shall have the right to supervise the companies with regard to the application of the provisions of the law and the company's MOA or AOA, including the authority to inspect the company, audit its accounts and demand any appropriate data, records, documents and minutes from the company's managers, board of directors or executive management, through one or more delegates from its employees or experts to be selected for this purpose. It may also, at its discretion, send a delegate [or more] as an observer to attend the companies' general assembly meetings and ensure the implementation of the provisions of the law.

Article [271]

Review of the Company's Records And Documents

All officers of the company shall make available to the representatives of the Ministry, and representatives of the CMA if it is a joint stock company listed on the financial market or seeking to become so, in relation to the activities set forth in Article [270] of the law, all records and documents of the company as required by them, and shall also provide them with all relevant information and clarifications.

Part XIV: Final Provisions

Article [272]

Request for Exemption from the Law

If the application for incorporation of a company that is founded or co-founded by the State or by other public legal persons who are permitted to do so requires an exemption from certain provisions of the Law, the application for approval of incorporation and exemption shall be submitted – together with its underlying reasons - to the Council of Ministers for approval.

Article [273]

Equity Stakes and Shares Owned by Endowment

The provisions of the law shall apply to the stakes or shares owned by the endowment.

Article [274]

Powers of the Competent Authority

1. The CMA shall be the competent authority in charge of supervising and monitoring the joint stock companies listed on the financial market, and issuing the rules regulating their operation, including the regulation of merger transactions if any of its parties is a joint stock company listed on the financial market.

2. The competent authority shall establish Governance Regulations for the joint stock companies, including rules for the steering and management of the company, how to organize the various relations between the board of directors, the executive management, shareholders and stakeholders, activating the role of shareholders in the company and facilitating the exercise of their rights, activating the role of the board of directors and its committees and the company's committees and developing their efficiency, as well as determining the controls for forming its board of directors and candidacy for its membership, including the setting up of special rules and procedures to facilitate the decision-making process and make it as transparent and as credible as possible, so as to protect the rights of shareholders and stakeholders and achieve competitiveness and transparency in the market and business environment, and special rules and procedures for the governance of general assembly meetings and clarifying their competencies. The Ministry may set up regulations for the governance of other

companies, including any items stated in this paragraph in a manner that does not conflict with their nature.

3. The Ministry may establish the necessary rules and procedures to ensure that it obtains the information of the beneficial owner from the companies that are subject to the provisions of the Law, with the exception of matters relating to the joint stock companies listed on the financial market.

4. The Minister and the CMA's Board shall - within their respective areas of competence – issue the necessary controls and decisions to implement the provisions of the law.

Article [275]

Engagement of Public or Private Bodies

The competent authority may engage public or private bodies to perform the tasks assigned thereto in the law, and may assign any of such tasks to those bodies.

Article [276]

Reporting The Violations

The competent authority may regulate the reporting of violations of the provisions of the law and regulations, including financial rewards for whistleblowers, rules for disbursement of and eligibility for such rewards, and the measures intended to contribute to whistleblowers' protection.

Article [277]

Issuance of The Regulations

1. The Minister and the CMA's board shall, within their respective areas of competence, issue the regulations not later than [180] days following the publication date of the law. Such regulations shall specify the rules, timeframes, procedures and the documents or data required for implementing the provisions of the law, shall indicate the controls for the use of modern technology for reporting and calling for the meetings of partners, shareholders or general and special general meetings of shareholders, and shall also set out the controls for the participation of any partner or shareholder in the deliberations

and voting on the proposed decisions, and the controls for eligibility to attend, and cast votes at, the general meetings of partners or shareholders.

2. Any of the procedures set forth in the Law or the Regulations may be carried out electronically, including, among others, the submission of applications for establishing companies or amending their MOAs or AOAs, the procedures for registration and publicity with the Commercial Registration Office, the signing of applications for incorporation, documents and records of companies, and submission of financial statements and other relevant procedures.

Article [278]

Corporate Social Responsibility

The competent authority may propose the necessary controls to motivate companies to engage in social responsibility activities and the stages of their implementation. Such controls shall be issued by a resolution of the Council of Ministers.

Article [279]

Service Fees

The Regulations shall determine the financial consideration for the services provided by the competent authority in implementation of the provisions of the law.

Article [280]

Repeal of Conflicting Provisions

This law shall supersede the Companies Law promulgated by Royal Decree No. [M/3] dated 28/01/1437 AH and the Professional Companies Law promulgated by the Royal Decree No. [M/17] dated 26/01/1441 AH, and all provisions that conflict with this Law shall be repealed.

Article [281]

Entry into Force of the Law

This Law shall enter into force [one hundred eighty days] following the date of its publication in the Official Gazette.