# BYLAWS OF

**ARAB NATIONAL BANK**

**A SAUDI JOINT STOCK COMPANY**

<table>
<thead>
<tr>
<th>Company’s Name</th>
<th>Bylaws</th>
<th>Legalization by Ministry of Commerce and Investment Companies General Directorate</th>
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<tr>
<td>Arab National Bank</td>
<td>Date of Legalization:</td>
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<tr>
<td>CR (1010027912)</td>
<td>22/5/1438H</td>
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<td>Corresponding to 20/2/2017G</td>
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CERTIFIED A TRUE AND ACCURATE TRANSLATION OF THE ARABIC ORIGINAL. THE LAW FIRM OF SALAH AL HEJAILAN, ACCREDITED TRANSLATION OFFICE LICENCE NUMBER 9 DATED 14/6/1396 H.
TRANSLATION

Arab National Bank
(A Saudi Joint Stock Company)

BYLAWS

CHAPTER ONE
Incorporation of the Company

Article (1) Incorporation of the Company:
A Saudi joint stock company is hereby incorporated between the relevant shareholders in accordance with the provisions of the Companies Law, the Banking Control Law, the provisions of the other regulations in force in the Kingdom of Saudi Arabia and the provisions of these Bylaws.

Article (2) Name of Company:
The name of the company shall be “Arab National Bank” (a Saudi joint stock company), hereinafter referred to as the “Company”.

Article (3) Objectives of the Company:
The objectives of the Company shall be to carry out banking activities in accordance with the provisions of the Banking Control Law and the provisions of the other laws and regulations in force in the Kingdom of Saudi Arabia; the Company shall conduct, whether for its own account or for the account of others, within or outside the Kingdom of Saudi Arabia, all types of banking activities, including inter alia the following:

(a) Opening of current accounts and acceptance of cash, deposits, whether such deposits are payable on demand or after a definite term, in the Saudi currency or any other currency.
(b) Opening of saving accounts and similar types of accounts in Saudi currency or in any other currency.
(c) Issuance, discount, acceptance and dealing in promissory notes, bills of exchange, withdrawal forms, commercial papers, cash forms, metal coins and any type of currency.
TRANSLATION

(d) Providing loans and/or other facilities, with or without security, in Saudi currency or other currencies.

(e) Dealing in shares and debt instruments for the Company’s account and/or customers’ account.

(f) Dealing in debt instruments and other instruments issued or secured by the Saudi government or foreign governments or financial institutions.

(g) Opening of letters of credit, issuance of letters of guarantee, granting of bank facilities for import, export and domestic trade.

(h) Acquiring, holding, selling and dealing in foreign currencies, commodities, precious metals and metal coins.

(i) Receiving money, evidentiary documents and other valuable things by way of deposit or loan or for safe custody and issue acknowledgments of receipt thereof.

(j) Obtaining credits from government entities, banks or other local or foreign financial institutions and extending credits to any of these entities.

(k) Opening of accounts in the name of the Company with local or foreign banks or other financial institutions.

(l) Establishing, managing and leasing of deposit funds.

(m) Acting as agent, correspondent or representative of local or foreign banks.

(n) Conducting money transfer transactions to other places inside or outside the Kingdom of Saudi Arabia.

(o) Acting as agents for the collection of money, bills of exchange, promissory notes and other documents inside or outside the Kingdom of Saudi Arabia.

(p) Conducting any other banking activities which are not prohibited by the banking and monetary laws and regulations in force in the Kingdom of Saudi Arabia.

(q) Establishing, operating and managing bonded and other warehouses for storing goods and commodities and extending loans against such goods and commodities.

(r) Acting as financial agent or representative or participating in any other capacity in the management of the private business of any natural or legal person or third parties.

(s) Collecting of amounts payable by a third party, whether inside or outside the Kingdom of Saudi Arabia, on behalf of any other natural or legal person, or in its capacity as trustee, or executor of estate or pledgee, and issuance of discharges and acknowledgments of receipt.
(1) Supporting, issuing, guaranteeing, underwriting, and participating in the management and execution of any public or private offering by any country, municipality, establishment or company, of shares, instruments, debt instruments, payment orders, negotiable instruments and other obligations inside or outside the Kingdom of Saudi Arabia, and subscribing for, acquiring, holding, managing, devoting, dealing in and disposing of such instruments.

(u) Managing, selling, investing, holding and dealing in any monies, rights or interests in any movable or immovable property which might devolve onto or be acquired by the Company or which might come into possession of the Company for fulfilment of all or some of the Company’s claims or as a security for any loans or facilities extended by the Company, or which might in any other way, be related to any such claim or security, within the prescribed limits.

(v) Acquiring all or any part of the business, goodwill and assets with respect to any company or person as security or for comprehensive or partial payment of any loan or other fiduciary facilities extended by the Company.

(w) Borrowing money and entering into loan agreements for the Company as may relate to any amounts needed by the Company and pledging assets of the Company or providing any other security for redemption of loans or for fulfilment of the Company’s liabilities arising out of loans in the Kingdom of Saudi Arabia or in any other place.

(x) Conducting any other business or disposition which might be incidental to or which is likely to promote or expand the Company’s business, always in accordance with the provisions of laws and the relevant regulations in force in the Kingdom of Saudi Arabia.

(y) Financing financial leasing of vehicles.

(z) Issuing medium-term loan instruments.

Article (4) Participation and Ownership of Companies:
The Company may individually be entitled to incorporate limited liability or closed joint stock companies, provided that the capital shall not be less than SR 5 million; it shall also be entitled to hold shares in or merge with other existing companies and may participate with others in the formation of joint stock or limited liability companies after fulfilment of the requirements of the laws and regulations related to this matter. The Company may also dispose of these shares, excluding brokerage activities.
TRANSLATION

Article (5) Head Office of the Company:
The head office of the Company shall be located in the city of Riyadh; the Board of Directors may transfer the head office to any other city within the Kingdom of Saudi Arabia and establish branches, offices or agencies for the Company within or outside the Kingdom of Saudi Arabia pursuant to a resolution to be adopted by the Board of Directors, in accordance with the provisions of laws and regulations of the Kingdom of Saudi Arabia in force at the time.

Article (6) Term of the Company:
The term of the Company shall be ninety-nine (99) Gregorian years commencing from the date of registration in the commercial register. Such term may always be extended pursuant to a resolution by the Extraordinary General Assembly at least one year before the expiration of the Company’s term.

CHAPTER TWO
Capital and Shares

Article (7) Share Capital:
The share capital of the Company shall be SR 10,000,000,000 (Ten Billion Saudi Riyals) divided into 1,000,000,000 (One Billion) shares of equal nominal value of SR 10 (Ten Saudi Riyals) each, all of which are ordinary shares.

Article (8) Subscription:
The founders have subscribed for 840,000 (Eight Hundred Forty Thousand) shares in the Company’s capital and have paid the total value of their respective shareholdings in cash, as follows:

<table>
<thead>
<tr>
<th>Name</th>
<th>Number of Shares</th>
<th>Percentage</th>
<th>Amount Paid in Saudi Riyals</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Saudi Founders</td>
<td>240,000</td>
<td>16%</td>
<td>24,000,000</td>
</tr>
<tr>
<td>2. Arab Bank PLC</td>
<td>600,000</td>
<td>40%</td>
<td>60,000,000</td>
</tr>
<tr>
<td>Total</td>
<td>840,000</td>
<td>56%</td>
<td>84,000,000</td>
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</tbody>
</table>
TRANSLATION

The proceeds of this subscription, in the amount of SR 84,000,000 (Eighty Four Million Saudi Riyals) have been deposited with the Arab Bank Limited in Riyadh, in an account opened in the name of Arab National Bank (under formation), as shown by the certificate issued by the said bank.

In case the number of shares subscribed for exceeds the number of shares offered for public subscription, the shares shall be allotted to subscribers pro rata to their respective shareholdings; the Board of Directors shall give due preference to small subscribers.

Should any number of the shares that were offered for public subscription by Saudi citizens are not covered within 30 days period or any extended period as may be determined by the Company, the Company shall allot the unsubscribed shares for to the Saudi founders pro rata to their respective shareholdings upon incorporation, against payment in cash for the full value including expenses.

Article (9) Preference Shares:
The Extraordinary General Assembly may, pursuant to the requirements imposed by the competent authority and after having obtained the prior consent of the Saudi Arabian Monetary Agency (SAMA), issue preference shares, or resolve to acquire such shares, or convert ordinary shares to preference shares, or convert the preference shares to ordinary shares; the preference shares shall not entitle the holders thereof to vote at the general assemblies, but these shares shall entitle the holders thereof to a higher percentage of the Company’s net profits than the holders of the ordinary shares, after setting aside the statutory reserve.

Article (10) Sale of Non-Fully Paid Shares:
The shareholder shall pay the value of its shareholding within the prescribed time, failing which the Board of Directors may, after having notified such shareholder through publication in an official paper or through Tadawul website or by registered mail, sell such shareholding by public auction or at the stock exchange, as the case may be, pursuant to the rules set down by the competent authority.

The Company shall recover what is due to it from the sale proceeds and refund the balance to the relevant shareholder. If the sale proceeds are insufficient to cover the Company’s
entitlements, then the Company may recover the entire due amount from the shareholders’ asset.

Nevertheless, a shareholder who fails to pay until the selling date shall be entitled to pay the amount owed by him plus the expenses incurred by the Company in this respect.

The Company shall strike-off the shares that have been sold pursuant to the provisions of this Article, and shall give the purchaser a new share bearing the same number of the share that has been cancelled, and shall rectify the register of shares accordingly with verification of the name of the new shareholder.

Article (11) Issuance of Shares:
Shares shall be of a nominal value and shall not be issued for less than their nominal value; however, they may be issued at a higher value. In the latter case, the value difference shall be added as a separate component of shareholders’ equity and it shall not be distributed as dividends to the shareholders. The share shall be indivisible vis-à-vis the Company. If a share is held by several persons, they shall nominate one of them to represent them in exercising the rights attached to such share; these persons shall be jointly liable for the obligations arising out of their ownership.

Article (12) Transfer of Shares:
Shares subscribed for by the founding shareholders shall not be traded prior to the publication of financial statements of the Company for two fiscal years of not less than twelve months each, from the date of the Company’s incorporation. The certificates related to these shares shall specify their class, the date of the Company’s incorporation and the period during which the trade thereof would be prohibited.

However, during the period of such prohibition, the shares may be transferred pursuant to the provisions related to the transfer of rights from one founder to another, or from the heirs of one of the founders in case of his death to a third party, or in case of execution against the properties of an insolvent founder, or a founder who has become bankrupt, provided that priority of holding these shares shall be given to the other founding shareholders.
TRANSLATION

The provisions of this Article shall apply to the founding shareholders in case the capital is increased prior to lapse of the prohibition period.

Article (13) Shareholders' Register:
Shares of the Company shall be traded in accordance with the rules and regulations of the Capital Market Authority (CMA).

Article (14) Increase of Capital:
(1) The Extraordinary General Assembly may resolve to increase the Company's capital, after having obtained the consent of the Saudi Arabian Monetary Agency (SAMA), provided that the capital has been paid in full. However, full payment of the capital would not be required if the unpaid portion thereof relates to shares that were issued against conversion of debt or transferable bonds to shares and the prescribed period for such conversion has not elapsed.

(2) In all cases, the Extraordinary General Assembly may allot all or any of the shares that were issued upon the increase of capital to employees of the Company and the employees of all or any of its affiliates; shareholders shall not be entitled to exercise their priority rights when the Company issues shares designated for employees.

(3) A shareholder owning the share at the time of issuance of the resolution of an Extraordinary General Assembly approving the increase of capital shall have priority to subscribe for the new shares that are issued against cash shares. Such shareholder shall be notified of their priority rights, the increase of capital decision, subscription conditions, duration and start and end of such subscription, through a publication in a daily paper or through Tadawul's website or by registered mail.

(4) The Extraordinary General Assembly shall be entitled to suspend the shareholder's priority rights to subscribe for the increase of capital against cash shares or otherwise give priority to non-shareholders in case such practice would serve the Company's interest.

(5) A shareholder shall be entitled to sell or transfer his priority right within the period from the time of issuance of the resolution of the General Assembly approving the increase of capital up to the last day of subscription for the new shares to which this right is attached, subject to the rules laid down by the competent authority.
(6) Subject to the provisions of paragraph (4) of this Article, the new shares shall be
distributed amongst the holders of priority rights, who have applied for subscription, pro
rata to their respective priority rights out of the total priority rights resulting from the
increase of capital, provided that what may be acquired by them shall not exceed the
number of the new shares they have applied for; the remainder of the new shares shall be
distributed amongst the holders of priority rights who have applied for more than their
entitlement, pro rata to their respective holdings of the priority rights out of the total
priority rights resulting from the increase of capital, provided however that the
percentage they get shall not exceed the number of the new shares they have applied for;
the remainder of the shares shall be offered to third parties, unless the Extraordinary
General Assembly resolves or the Capital Market Regulations stipulate, otherwise.

Article (15) Reduction of Capital:
The Extraordinary General Assembly may resolve to reduce the capital after having obtained
a prior no-objection from the Saudi Arabian Monetary Agency (SAMA), in case the
Company’s capital exceeds the Company’s needs, or if the Company incurs losses. In the latter
case only, the Company may reduce its capital below the minimum required under Article (54)
of the Companies Law. The resolution related to such reduction shall not be adopted except
after reading out the special report prepared by the Company’s auditor on the reasons for such
reduction, specifying the Company’s obligations and the effect of such reduction on these
obligations.

If the reduction of capital is due to an excess in capital over the Company’s needs, the
Company’s creditors shall be invited to express their objections thereto within sixty days from
the date of publication of the resolution related to such reduction on a daily paper distributable
in the area where the head office of the Company is located. If any of the creditors objects and
submits its documents within the prescribed period, the Company shall either pay its debt if
already mature or provide him with sufficient guarantee for payment thereof when it has
become due.

Article (16) Seizure of Shares:
The Company shall be entitled to seize the shares held by any shareholder who is indebted to
the Company together with any unpaid dividends thereon to secure the repayment of the debts
and obligations owed by the shareholder to the Company; thirty days after notification of this shareholder, the Company shall be entitled to sell these shares and settle its entitlement from the proceeds of such sale and shall reimburse the remainder of these proceeds, if any, to the shareholder; however, should the proceeds of sale be insufficient to settle the debts and obligations of the shareholder vis-à-vis the Company, the Company shall claim the balance of its entitlements from any property to which the shareholder has title.

Article (17) Issuance of Bonds and Sukuk:
(a) The Company shall be entitled to issue bonds and sukuk as may be compatible with the rules of Islamic Shari'a in one lot or more through one issue or a series of issues, from time to time, within the periods and in the amounts and subject to the conditions to be specified by the Board of Directors without need to refer the matter to the General Assembly, provided however that such bonds and sukuk shall not be convertible to shares, and provided also that the value of these bonds and sukuk shall not exceed the value of the Company’s share capital.

(b) The Company’s Board of Directors shall be entitled to take whatever action that may be needed for issuing the bonds and sukuk and for obtaining the necessary approvals of the competent authorities; furthermore, the Board of Directors may authorize any other person or a group of persons to exercise its powers and shall authorize any such person(s) to delegate their authorities to third parties.

CHAPTER THREE
Management of the Company

Article (18) The Board of Directors:
The Company shall be managed by a Board of Directors consisting of ten members of whom six members shall be representing the Saudi shareholders; members of the Board of Directors shall be appointed by the Ordinary General Assembly for a period of three years.

As long as Arab Bank Limited holds at least 40% of the Company’s shares, it shall be entitled to appoint four members of the Board and to replace all or any of them. Such appointment shall be by a resolution issued by the Board of Directors of Arab Bank Limited and shall be notified
by a notice addressed to the Company’s Board of Directors. All members of the Board may be reappointed.

Article (19) Termination of Board Membership:
Membership of the Board of Directors shall be terminated on expiry of the term of office or on resignation or death or if it is established that the relevant member has committed a breach of his duties in a manner that may be prejudicial to the Company’s interest, provided obtaining the approval of the Ordinary General Assembly, or on expiry of the term of office of such member pursuant to any laws or regulations in force in the Kingdom, or if a decision has been passed declaring such member bankrupt or insolvent, or if he files an application for compromising with his creditors, or if he suspends payment of his debts, or if he has become senseless, or if he is subjected to a mental disease or if it is established that he has committed an act which adversely affects honesty and decency, or if he is convicted of having committed the offense of forgery. However, the Ordinary General Assembly may, at all times, dismiss all or any of the members of the Board of Directors, without prejudice to the right of the dismissed member to be compensated by the Company if such dismissal was effected without cause, or within an unsuitable time. A member of the Board shall be entitled to resign provided that such resignation be submitted within a reasonable time, failing which such member shall be liable vis-à-vis the Company for any losses consequential to such resignation.

Article (20) Vacancies in the Board:
Should the position of a Board member falls vacant, the Board shall be entitled to appoint a member for a temporary period in order to fill the vacant position; such member shall be appointed from within persons having experience and competence according to the order of obtaining votes in the meeting which has elected such Board, provided that any such member shall have sufficient experience and competence. Notice of such appointment shall be communicated to the Ministry, the Capital Market Authority (CMA) and to the Saudi Arabian Monetary Agency (SAMA) within five working days from the date of such appointment; the said appointment shall be raised to the first Ordinary General Assembly; the new member shall only complete the remaining period of his predecessor. However, if the necessary prerequisites for convening the Board of Directors are not satisfied by reason of the Board members falling short of the minimum required by the Companies Law, or herein provided for, the remaining members shall invite an Ordinary General Assembly within sixty days in order to elect the
necessary number of members. The Saudi Arabian Monetary Agency (SAMA) shall be notified upon resignation or termination of membership of any Board member for any reason, excluding lapse of the term of office of the Board, within five working days from the date of suspension of work, subject to the relevant prerequisites of disclosure.

Article (21) Powers of the Board:
Without prejudice to the powers allotted for the General Assembly, the Board of Directors shall have full powers to manage the Company’s business and to supervise its affairs. In order to perform its duties, the Board shall be entitled to exercise all the powers and to conduct any business or disposition which the Company is entitled to exercise pursuant to these By-laws or Articles of Association or otherwise, provided that the By-laws should not have explicitly required the performance of this business by the General Assembly. In particular, the Board of Directors shall have full powers to enter into a technical management agreement between the Company and Arab Bank Limited. The Board of Directors shall also have powers to enter into loan agreements for periods exceeding three years, acquire real estates (subject the relevant regulations), sell and mortgage any such estate and release the Company debtors of their obligations and reach settlements and accept arbitration.

The Board may delegate any of these powers to the Chairman of the Board or to the Managing Director or to any other Board member, or to any of the Company’s authorized employees or staff members. The Board may, from time to time, empower or authorize any other person to exercise certain powers for a period and subject to the conditions which the Board deems appropriate. However, the Board of Directors shall not be entitled to donate anything of the Company’s property except within the limits provided for in the laws in force in the Kingdom of Saudi Arabia.

Article (22) Remuneration of Board Members:
Remuneration of the Board of Directors shall be a certain percentage of the net profits and within the limits provided for under the Companies Law and implementing rules and the official circulars issued in this respect. The Company shall pay to the members all actual expenses incurred by them to attend the meetings of the Board and the Committees, including inter alia travel expenses, residence and accommodation expenses. The Board’s annual report to the Ordinary General Assembly shall include comprehensive information of all the amounts
received by the Board members within the Company's fiscal year, including *inter alia* the remuneration, attendance allowance and out-of-pocket expenses, in addition to any pecuniary or impecuniary benefits. The said report shall also specify the amounts obtained by the Board members in their capacity as authorized employees of the Company or officers, or the amounts they have received against technical, administrative or consultancy services.

Article (23) Chairman, Vice Chairman and Managing Director:

The Board shall appoint from within its members a Chairman, Vice Chairman and a Managing Director. The Chairman of the Board shall be a Saudi national. It shall not be lawful to combine the position of the Chairman of the Board with any other executive position in the Company. The Managing Director shall be selected from amongst the members appointed by Arab Bank Limited. The Chairman shall have the powers to invite the Board for a meeting and shall preside over those meetings and also the General Assemblies and shall represent the Company before all private and public sectors as well as third parties, including the judiciary and arbitral tribunals. In exercising these powers, he shall be entitled to claim, prosecute, file pleadings and statements of defense in any claim that may be filed by or against the Company; attend hearing of claims and reply to those claims, admit, deny, reach settlements, assign, request the taking of oath, refute and refuse to take any such oath, call witnesses, produce and object to any evidence, answer, challenge, amend, accuse of forgery, contest handwritings, stamps and signatures, apply for travel ban and the lifting of such ban, apply for attachment, execution referral to arbitration, appointment of experts and arbitrators, contest the reports prepared by experts and arbitrators, dismiss and replace any such expert or arbitrator, apply for enforcement of judgments and all types of enforcement instruments, accept, deny and object to judgments, file appeals and objection by cassation, apply for review, restitution and preemption, take whatever action as may be necessary for attending hearings of all claims before all courts, receive payments and judgment deeds, request for removal of judges, apply for joinder of any person, appear before public courts, administrative courts (the Board of Grievances), commercial courts, labor committees, committees for settlement of financial disputes, committees for banking disputes, committees for settlement of violations and disputes related to financing arrangements, the office for Commercial Paper Disputes, Investigation and Public Prosecution Authority, sell and transfer title to purchaser, receive payments, purchase and accept transfer of title, pay the price, mortgage, pledge and redeem any such mortgage, join, update and enter deeds into the comprehensive system, accept an incomplete area, change the
name of titleholder and the number of his identity card, lease, sign and renew lease agreements, receive rentals, divide, separate, apply for replacement of a damaged or lost deed, receive such deed and add any excess area adjacent to a particular piece of land, change the measurements included in the relevant deed to meters, convert the feet to meters, convert an agricultural land to a residential or industrial land, change boundaries, measurements, total areas, plot number, number and date of deed, district name and map number, name of proprietor, register the building and receive deed, accept and deliver, follow-up with all relevant entities, finalize all formalities and sign any relevant document, sign before a public notary with respect to Articles of Association and By-laws of companies in which the Company is a shareholder or companies fully-owned by the Company, sign all amendment supplements and shareholder resolutions, including *inter alia* amendment of the article related to the management, appointment and dismissal of directors, appointment and dismissal of members of the Board, amendment of the articles related to the capital, objectives of the Company and determination of powers of directors. Receive any excess in allotments, sell and purchase shares, receive payment and profits, open bank accounts in the name of the Company, sign agreements, close bank accounts in the name of the Company, register commercial agencies and trademarks and assignment or revocation thereof, attend General Assemblies of companies owned by the Company or in which the Company is a shareholder. Open files for the Company, apply for commercial registration and renew it, apply for membership of the Chamber of Commerce and renew such membership, follow-up with the quality control department and specifications and measurements organization, apply for licenses and for renewal of these licenses, follow-up with telecommunication companies, apply for land telephones or mobiles in the name of the Company, follow-up with and sign before the Saudi Arabian General Investment Authority (SAGIA), follow-up with the Capital Market Authority (CMA), submit tenders, receive the relevant forms, sign contracts which the Company enters into with third parties, publish the Company's Articles of Association, By-laws and any amending supplements and summaries thereof.

Follow-up with the Commercial Registry Department, reserve, register and assign the trade name, sign all relevant documents with the Chamber of Commerce, certify and cancel the signature before the Chamber of Commerce, tender and receive the relevant forms, register in the electronic services at the chambers of commerce, activate the services and receive the identification number, follow-up with the General Authority for Zakat and Tax and Civil
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Defense Authority, apply for permits for fencing and demolition, follow-up with the architectural drawings department, apply for building or renovation permits, apply for building completion certificate, apply for medical cards and for drawings of the land owned by the Company, follow-up with the municipality and sign contracts with building establishments and contractors, follow-up with the governorate and the department for execution and enforcement of judgments, follow-up with the Roads Security Special Forces and General Directorate of Investigation and General Directorate of Administrative and General Directorate of Criminal Investigation and General Directorate for Prisons and the General Directorate of Civil Defense.

The Chairman of the Board of Directors may delegate all or any part of his powers, as hereinabove mentioned, to any other member of the Board or third parties and may authorize such person to sub-delegate his powers to others, including inter alia the appointment of attorneys, lawyers and representatives from within the Company’s employees (inside or outside the Kingdom of Saudi Arabia) pursuant to lawful powers of attorney, subject to the exception provided for in paragraph (a) and paragraph (c) of Article (18) of the, and authorize those persons to sign on behalf of the Company within the powers granted to them, and to represent the Company before all public and private sectors, courts of law, judicial Boards and committees, and to submit defenses, pleadings and statements of claim in any case filed by or against the Company within or outside the Kingdom, before all types of courts and he may dismiss those persons.

The Vice Chairman of the Board shall act as chairman in case of absence of the Chairman.

Powers of the Managing Director

The Managing Director shall be the Chief Executive Officer and shall be responsible according to the provisions of Article (20) hereof, for the day-to-day business activities of the Company which may, include but not limited to the activities mentioned hereunder:

(1) Enter into all types of transactions falling within the scope of the Company’s activities and sign all documents, contracts etc. as may be necessary for, or related to, this object.

(2) Rent any place in order to conduct the Company’s activities.
(3) Appoint assistants, clerks, cashiers and other employees and determine the conditions of their employment as he may deem appropriate, and specify their powers and duties and suspend and dismiss any of them as he may deem appropriate.

(4) Sign checks involving any amounts owed to the company by any other bank, open bank accounts in the name of the Company with other banks and operate these accounts.

(5) Sign all correspondence, contracts and other obligations on behalf of the Company, and sign all letters of credit, payment orders, deeds and warranties issued in favor of or by the Company and sign acknowledgments of receipt in respect of any money deposited with the Company.

(6) Perform all banking and exchange activities, and counterbalance share operations on behalf of the Company.

(7) Advance cash loans or advance facilities in Saudi Riyals or other currencies to any person or organization or establishment inside or outside the Kingdom of Saudi Arabia, whether with or without security, within the limits, if any, as may be specified by the Board of Directors.

(8) Issue, discount and accept dealings in promissory notes, bills of exchange, drafts and all negotiable instruments and also accept dealings in bank notes, coins and all types of currencies.

(9) Purchase, pledge, mortgage, release of mortgage and sell real estates, goods, offerings, and all types of commodities, in accordance with the Kingdom’s rules and regulations.

(10) Arrange insurance in respect of ships, goods and other rights as well as arrange and effect insurance on the Company’s assets.

(11) Withdraw, accept, make, pay, collect, endorse, mortgage or exchange all or any of the local and foreign promissory notes, bills of exchange and other negotiable instruments, and sign, stamp, execute, deliver, endorse, accept, assign and transfer government bonds, marine and airway bills of lading, delivery orders, all types of title deeds, insurance policies and certificates and collect the proceeds of any of these instruments.

(12) Accept, assign and transfer any government bonds or municipality bonds or bonds issued by a local entity wherever it is located, and any other sukuk, shares, bonds, debentures, mortgages, obligations and bonds issued by any company or organization, whether commercial, municipal or otherwise which conducts business, or any establishment wherever it is located and also all and any public bonds or any other bonds or shares and collect the proceeds of any such instrument.
(13) Purchase, sell, pledge and deal in any other way in shares, bonds of any company and at any place, within the limits prescribed in the laws in force in the Kingdom and pursuant to resolutions of the Board of Directors in this respect.

(14) Acquire any movable property by way of purchase, trade or otherwise pursuant to the applicable regulations in this respect, sell, lease, trade or dispose of this property in any other way and perform all necessary work for the safe keeping of this property as long as it remains under ownership or exists under disposal of the Company or for the proper management of the same. The Board of Directors may fix the maximum limit that may be conducted of these operations.

(15) Enter into all contracts related to transfer of real estate titles within the limits specified by resolutions of the Board of Directors and in accordance with the relevant regulations of the Kingdom.

(16) Sign and renew lease agreements, receive rentals, appoint arbitrators, lawyers and authorized representatives of the Company from within the Company’s employees (inside or outside the Kingdom of Saudi Arabia) with the right to dismiss any of them.

(17) Settle accounts, disputes and all types of account clearance in which the Company may have an interest at any time or which may relate to any natural or juristic person whatsoever, pay or collect any consequential funds, as the case may be, all this within the powers granted to him by the Board of Directors.

(18) Give any report or acknowledgment of any debt owed, or payable, to the Company in any current or future proceedings by or against any natural or legal person or the estate of a deceased person, pursuant to any applicable regulations for releasing insolvent debtors or for liquidation of companies, attend meetings of creditors pursuant to these proceedings and to propose any resolution or to second or vote in favor or against any such resolution in any of these meetings and, generally, represent the Company in all proceedings, whether in cases of insolvency, bankruptcy or liquidation or settlement arrangements adopted against or in favor of any of the Company’s debtors, as he may deem appropriate.

(19) Use and adopt all legal means for collecting, receiving or maintaining any amount of money or any other thing that he deems entitled to the Company or which the Company keeps with any natural or legal person whatsoever, and upon collection or receiving all or any part of it, give, issue, sign or stamp, execute or deliver accurate receipts or transfer
of title deeds related to recovery of title as the case may be or as he deems necessary or appropriate.

(20) Pay any debt or money or reach settlement with respect thereto as he may deem appropriate if it is owed, or payable, to the Company or if it is payable or allegedly payable by the Company.

(21) Borrow money and enter into loan agreements as may be required by the Company, mortgage the Company’s assets and provide other securities for fulfilment of any obligations consequential to these loans inside or outside the Kingdom of Saudi Arabia.

(22) In order to properly and more effectively manage the Company’s business and supervise its affairs and employees, the Managing Director may assign all or any of his powers to any of his staff members, and he may delegate some of these powers to third parties and may withdraw these powers as he may elect.

The Board of Directors shall, as soon as possible, appoint an assistant to the Managing Director from within Saudi nationals who are qualified for this position and shall fix his powers and remuneration.

The Board shall fix the special remuneration to be paid to the Chairman of the Board and to the Managing Director, in addition to the remuneration payable to each Board member pursuant to Article (22) hereof, provided that the total number of remunerations of the Chairman shall not exceed twice the remuneration of a Board member, as provided for under Article (22) hereof and within the limits provided for under the Companies Law, the Implementing Rules thereof and the official circulars which are issued in this respect.

The Board shall appoint a Secretary and determine the conditions of his service and his remuneration; such Secretary shall be responsible for taking down the deliberations of the General Assembly (if deemed necessary), the deliberations and resolutions of the Board in the form of minutes to be kept in a special register and shall keep this register.

Article (24) Meetings of the Board:

The Board shall meet upon the request of the Chairman at least four times a year. The invitation shall be in writing and may be delivered by hand or sent by post or fax or telegram two weeks before the date specified for the meeting, unless the members of the Board agree otherwise.
TRANSLATION

The Chairman of the Board shall invite the Board for a meeting whenever such meeting is requested by two members of the Board.

Article (25) Quorum of the Board:
A meeting of the Board shall not be valid unless attended at least by seven members by themselves or through a proxy, provided that the members attending by themselves shall not be less than four members; in case a Board member authorizes another Board member to represent him in the meetings of the Board, such proxy shall satisfy the following conditions:

(a) A member shall not represent more than one member in attending the same meeting.
(b) The proxy shall be in writing and shall be in respect of a certain meeting.
(c) The proxy shall not vote on resolutions which the regulations prohibit the person giving such proxy to vote thereon.

Resolutions of the Board of Directors shall be adopted by majority vote of two-thirds of the Board members attending or represented in the meeting; when the votes are equal, the Chairman of the Board, or whoever chairs the Board in his absence, shall have a casting vote.

The Board of Directors may adopt resolutions by circulation through presenting them to all members separately unless a Board member requests in writing a meeting of the Board for discussion thereof. These resolutions shall be adopted if approved by majority vote of two-thirds of the Board members, and shall be submitted to the Board of Directors in the first meeting to be convened after this meeting.

Article (26) Minutes of the Board meetings:
Deliberations and Resolutions of the Board of Directors shall be in the form of minutes to be signed by the Chairman and members of the Board who are present and by the Secretary and shall be kept in a special register to be signed by the Chairman of the Board and the Secretary.

Article (27) The Executive Committee:
The Board of Directors may set up from within its members an Executive Committee and shall appoint from within the members of the committee a chairman; the Board may also specify the terms of reference and powers of this committee, the number of its members and the quorum
necessary for its meetings. The committee shall exercise the powers to be vested on it by the Board pursuant to instructions and directives of the Board. The Executive Committee shall not revoke or amend any of the resolutions and rules which have been adopted by the Board of Directors.

CHAPTER FOUR
General Assembly of Shareholders

Article (28) Attendance of General Assemblies:
Each subscriber, irrespective of its shareholding, shall be entitled to attend the Constituent Assembly, and each subscriber shall be entitled to attend the General Assemblies. A shareholder may delegate any person who is not a Board member or an employee of the Company to attend the General Assemblies.

Article (29) The Constituent Assembly:
The founding shareholders invite all subscribers to convene the Constituent Assembly within 45 days from the date of the Ministry’s resolution licensing the formation of the Company or from the date on which subscription for the shares of the joint stock company is closed; for the meeting to be valid, there shall be present a number of subscribers representing at least half the capital; however, if this quorum is not available, an invitation shall be extended for a second meeting to be held at least 15 days after the date on which the invitation was extended. In all cases, the second meeting shall be valid irrespective of the number of subscribers therein represented.

Article (30) Powers of the Constituent Assembly:
The Constituent Assembly shall have powers to tackle the matters provided for in Article (63) of the Companies Law.

Article (31) Powers of the Ordinary General Assembly:
Notwithstanding the matters reserved for the Extraordinary General Assembly, the Ordinary General Assembly shall have powers to deal with all matters related to the Company; it shall be convened at least once a year within the first sixth-month from the close of the Company’s fiscal year. Other Ordinary General Assembly may be called whenever needed.
TRANSLATION

Article (32) Powers of the Extraordinary General Assembly:
The Extraordinary General Assembly shall have powers to amend the By-laws of the Company, excluding those matters which the meeting is prohibited by law to amend. It may issue resolutions on matters which originally fall within the jurisdiction of the Ordinary General Assembly, subject to the same conditions and requirements that have been prescribed for the Ordinary General Assembly.

Article (33) Invitation for the General Assemblies:
General or private Assemblies shall be convened pursuant to an invitation from the Board of Directors; the Board of Directors shall invite the Ordinary General Assembly to convene upon request by the Company’s auditor or the Audit Committee or a number of shareholders representing at least five percent of the share capital. The Company’s auditor may invite the meeting to convene should the Board of Directors fail to invite the meeting within thirty days from the date of the auditor’s request. The invitation for the General Assembly shall be published in a daily paper distributable in the headquarters of the Company at least ten days before the prescribed date of the meeting. However, it would be sufficient to extend the invitation on the said date to all subscribers, by registered mail. A copy of the invitation and the agenda shall be sent to the Ministry, the Capital Market Authority (CMA) and the Saudi Arabian Monetary Agency (SAMA) within the time limit for such publication.

Article (34) General Assemblies Attendance Register:
Shareholders intending to attend the General or private Assembly shall register their names at the head office of the Company before the scheduled date for the meeting.

Article (35) Quorum of the Ordinary General Assembly:
The Ordinary General Assembly shall not be valid unless attended by shareholders representing at least half of the Company’s capital. However, if the necessary quorum for convening this meeting is not available, a second meeting shall be convened one hour after lapse of the period that was subscribed for convening the first meeting, provided that the invitation for the first meeting shall have included a notification of the possibility of convening this meeting. Should the first invitation fail to provide for the possibility of convening the second meeting, an invitation shall be extended for a second meeting to be convened within the thirty days which
follow the previous meeting; this invitation shall be published in accordance with the procedure provided for under Article (33) hereof. In all cases, the second meeting shall be considered valid irrespective of the number of shares therein represented.

Article (36) Quorum of the Extraordinary General Assembly:
The Extraordinary General Assembly shall not be valid unless attended by shareholders representing half the capital. If this quorum is not available in the first meeting, a second meeting shall be convened one hour after the lapse of the period which was specified for the first meeting, provided that the invitation for the first meeting should have included a notification of the possibility of convening this meeting. Should the first invitation fail to provide for the possibility of convening the second meeting, an invitation shall be extended for a second meeting to be convened subject to the same requirements provided for under Article (33) hereof. In all cases, the second meeting shall be considered valid if attended by a number of shareholders representing at least one-quarter of the share capital. If the required quorum is not available in the second meeting, an invitation shall be extended for a third meeting to be convened subject to the same conditions included in Article (33) hereof; the third meeting shall be valid irrespective of the number of shares therein represented, subject to approval of the competent authority.

Article (37) Voting at Assemblies:
Each subscriber shall have one vote in respect of each share it represents in the Constituent Assembly and each shareholder shall have one vote in the General Assemblies in respect of each share; cumulative voting shall be adopted in the election of the Board of Directors.

Article (38) Resolutions of the Assemblies:
Resolutions of the Constituent Assembly shall be adopted by absolute majority of the shares therein represented; resolutions of the Ordinary General Assembly shall be adopted by majority vote of two-thirds of the shares represented in the meeting; resolutions of the Extraordinary General Assembly shall be adopted by majority vote of two-thirds of the shares represented in the meeting, unless the resolution at issue relates to an increase or decrease of the share capital or to prolongation of the Company's term or to liquidation of the Company prior to lapse of the period provided for in the Company's By-laws or relates to the Company's merger with
another company; in any such case, the resolution shall not be valid unless it is adopted by majority of three-quarters of the shares represented in the meeting.

Article (39) Deliberation in the Assemblies:
Each shareholder shall be entitled to discuss the matters listed in the agenda of the meeting; queries related to these matters shall be addressed to the Board members and the Company’s auditor. The Board of Directors and the auditor shall answer the queries raised by shareholders to the extent that would not prejudice the Company’s interest. However, if a shareholder considers that the answer to his query is not convincing, the matter shall be referred to the Assembly whose decision on this matter shall be binding.

Article (40) Chairmanship of Assemblies and Preparation of Minutes:
The General Assemblies shall be chaired by the Chairman of the Board of Directors or, in case of absence, by his deputy. If the Chairman and his deputy are both absent, the General Assembly shall be chaired by a Board member to be appointed by the Board.

Minutes in respect of each General Assembly shall be taken down and shall show the number of shareholders who are present or represented in the meeting, the number of their respective Holdings either as principals or attorneys, the number of the respective votes for these shares, the resolutions which have been adopted, the number of the affirmative or negative votes and a sufficient summary of the discussions in the said meeting. After each meeting, these minutes shall be kept in a special register and shall be signed by the Chairman of the meeting, the Secretary and the vote counter.

CHAPTER FIVE
Audit Committee

Article (41) Formation of the Committee:
An Audit Committee consisting of three members other than the executive Board members shall be set up from the shareholders or otherwise, pursuant to a resolution of the Ordinary General Assembly. Such resolution shall specify the duties of the committee, its terms of reference and the remunerations of its members.
TRANSLATION

Article (42) Quorum of the Committee:
For a meeting of the Audit committee to be valid, such meeting shall be attended by the majority of its members; resolutions of this committee shall be adopted by majority vote of those who are present; in case the votes are equal, the Chairman of the committee shall have a casting vote.

Article (43) Powers of the Committee:
The Audit Committee shall have powers to audit the Company’s activities; for this purpose, it shall have access to the Company’s books and records and shall request any verification or explanation from the Board members or the management. It may ask the Board of Directors to invite a General Assembly in case its work is impeded by the Board or if the Company has incurred grave losses.

Article (44) The Committee’s Report:
The Audit Committee shall review the Company’s financial statements, reports and the comments made by the Company’s auditor and shall make any comment, if any. It shall also prepare a report reflecting its viewpoint on the extent of sufficiency of the Company’s internal auditing system and in respect of any other work within its powers. The Board of Directors shall keep sufficient copies of this report at the head office of the Company at least ten days before the scheduled date of the General Assembly, for providing interested shareholders with copies thereof. The report shall be read over during the meeting.

CHAPTER SIX
Auditors

Article (45) Appointment of Auditors:
The Company shall have two auditors to be annually appointed by the Ordinary General Assembly from amongst the approved chartered accounts licensed to practice in the Kingdom. The Ordinary General Assembly shall determine their remunerations and term of office and may replace them at any time without prejudice to their right to be compensated if such replacement was effected within an unreasonable time or was without cause.

Article (46) Powers of the Auditors:
The auditors shall, at any time, have access to the Company’s books and records and any other document. They shall be entitled to ask for any information and clarification as they may deem necessary for verification of the Company’s assets and liabilities and any other matter within the scope of their work. The Chairman of the Board shall enable such auditors to fulfill their duties; however, if the auditors encounter any difficulty in this respect, they shall make a note of this matter in a report to be submitted to the Board of Directors. If the Board fails to facilitate the work of the auditors, the auditors shall ask the Board of Directors to invite an Ordinary General Assembly to convene in order to consider this matter.

CHAPTER SEVEN
Company’s Accounts and Distribution of Dividends

Article (47) Fiscal Year:
The Company’s fiscal year shall commence on 1 January and shall end at the end of the month of December of each year provided that the first fiscal year shall commence as of the date of the ministerial resolution announcing incorporation of the Company and shall come to an end on 31 December of the following year.

Article (48) Annual Reports:
(1) The Board of Directors shall, at the end of each fiscal year, prepare the Company’s financial statements and a report in respect of the Company’s activities and financial position in the preceding fiscal year. This report shall indicate the proposed method for distribution of dividends. The Board shall place these documents at the disposal of the auditors at least 45 days before the prescribed date for the General Assembly.

(2) The Chairman of the Board, the Managing Director and the Chief Financial Officer shall sign the documents referred to in paragraph (1) of this Article; a copy of these documents shall be kept at the head office of the Company and shall be at the disposal of the shareholders, at least ten days prior to the scheduled date for the General Assembly.

(3) The Chairman of the Board shall provide the shareholders with the Company’s financial statements, the report prepared by the Board and the auditors report, unless these had been published in a daily paper distributable at the head office of the Company. He shall also send a copy of these documents to the Ministry of Commerce and Investment, the
SAUDI ARABIAN MONETARY AGENCY (SAMA) AND THE CAPITAL MARKET AUTHORITY (CMA) AT LEAST FIFTEEN DAYS PRIOR TO THE SCHEDULED DATE FOR THE GENERAL ASSEMBLY.

ARTICLE (49) DISTRIBUTION OF DIVIDENDS:
The Company's annual net profit after deduction of all general expenditures and other expenses and after the constitution of such provision for bad debts and for losses on investment and for contingent liabilities as determined by the Board, shall be distributed in accordance with the provisions of the Banking Control Regulations, as follows:

1. The amounts that are necessary for payment of zakat by the Saudi shareholders, and the tax payable by non-Saudis shall be computed in accordance with the regulations in force in the Kingdom of Saudi Arabia; the Company shall pay these amounts to the competent authorities and shall deduct the zakat payable by Saudis from their respective share of the net profits; the tax payable by non-Saudis shall also be deducted from their respective share of the net profits.

2. A minimum of 25% of the remainder of the net profits, after deduction of zakat and tax as mentioned in paragraph (1) of this Article shall be transferred to the statutory reserve until such reserve becomes at least equivalent to the paid-up capital.

3. Out of the remainder of the profit after the deduction of statutory reserve, zakat and tax, a certain percentage of the paid-up capital shall be allotted to Saudi or non-Saudi shareholders pro rata to the paid-up part of the shares of the Saudi and non-Saudi shareholders, as recommended by the Board of Directors and approved by the Ordinary General Assembly. However, if the remaining percentage of the profits payable to any of the Saudi or non-Saudi shareholders is insufficient for payment of profits to the relevant shareholders, such shareholders shall not be entitled to claim payment thereof in the following year(s). The General Assembly shall not be entitled to distribute a percentage of the profits exceeding what has been recommended by the Board of Directors.

4. The remainder, after allotment of the amounts referred to under paragraphs (1), (2) and (3) of this Article shall be used in the manner recommended by the Board of Directors and approved by the Ordinary General Assembly.

5. Upon computation of the allotments for the statutory reserve and other reserves out of the net profits (after zakat and tax) the percentage of shareholding of each of the Saudi and non-Saudi shareholders shall be maintained. Each of the two categories shall
contribute in such allocation on a *pro rata* basis and out of their respective shares in the net profits.

**Article (50) Entitlement to Profits:**

A shareholder shall be entitled to his share of the profits in accordance with the resolution of the General Assembly in this respect. This resolution shall specify the maturity date and the distribution date. The profits shall be paid to the shareholders appearing in the shareholder register at the end of the day that has been specified for such entitlement.

**Article (51) Distribution of Profits for Preference Shares:**

1. If no profits were distributed in any fiscal year, no profits shall be distributed in subsequent years until the payment of the specified percentage is provided, based on Article (114) of the Companies Law to the holders of preference shares in respect of this year.

2. If the Company fails to pay the percentage of profits (as specified under Article (114) of the Companies Law) for a period of three consecutive years, the special assembly of the holders of these shares, as may be convened in accordance with the provisions of Article (89) of the Companies Law, may resolve either to attend the General Assemblies of the Company and participate in voting, or to appoint representatives in the Board of Directors *pro rata* their shares in the capital until the Company is able to pay all priority profits for the holders of these shares for the preceding years.

**Article (52) Company’s Losses:**

1. If the losses of the joint stock company amount to half the paid-up capital at any time during the fiscal year, any of the Company’s officers or the auditor shall, upon being aware of this, notify the Chairman of the Board of Directors who shall directly communicate the same to the Board members. The Board of Directors shall within fifteen days of being informed of this, call for an Extraordinary General Assembly to be convened within 45 days from the date on which it became aware of these losses, to determine whether to increase or decrease the Company’s capital pursuant to the provisions of the Companies Law, to the extent that the loss percentage is reduced to less than half the paid-up capital, or to dissolve the Company prior to lapse of the term herein provided for.
(2) The Company is deemed to have been dissolved by force of the Companies Law in case the General Assembly is not convened within the prescribed time as under paragraph (1) of this Article, or if a General Assembly was convened but could not adopt a resolution on this matter, or if it has resolved to increase the capital pursuant to the provisions included in this Article and the entire increase of capital has not been subscribed for within 90 days from the date on which the resolution approving such increase was adopted.

CHAPTER EIGHT
Disputes

Article (53) Liability Claim:
Each shareholder shall have the right to file on behalf of the Company a liability claim against members of the Board if their default is likely to make him suffer a special loss. A shareholder shall not be entitled to file the said claim unless the Company’s right to file such claim is still existing. The shareholder shall notify the Company of his intent to file such claim.

CHAPTER NINE
Dissolution and Liquidation of the Company

Article (54) Dissolution of the Company:
Upon its dissolution, the Company shall enter the phase of liquidation and shall maintain its legal entity to the extent necessary for liquidation. A decision of voluntary liquidation shall be issued by the Extraordinary General Assembly. Such resolution must include the appointment of the liquidator, his powers and fees, any restrictions on his powers and the period of time necessary for such liquidation. The period of the voluntary liquidation shall not exceed five years and shall not be extended to any further period except by judicial order. The powers of the Board shall terminate upon the Company’s dissolution. However, the Board members shall continue to manage the Company and shall be regarded vis-à-vis third parties as liquidators until the appointment of a liquidator. The General Assemblies shall continue during the phase of liquidation but they shall only exercise those powers which do not contradict the powers of the liquidator.
TRANSLATION

CHAPTER TEN
Closing Provisions

Article (55):
The provisions of the Companies Law, the Banking Control Law and any relevant laws and regulations shall apply to anything not specifically provided for herein.

Article (56):
The Board of Directors shall procure a seal for the Company which shall be affixed to documents as deemed necessary by the Board, the Executive Committee or the Managing Director.

Article (57):
This By-laws shall be deposited and published pursuant to the provisions of the Companies Law, subject to compliance with all provisions of the Banking Control Law.

CERTIFIED A TRUE AND ACCURATE TRANSLATION OF THE ARABIC ORIGINAL. THE LAW FIRM OF SALAH AL HEJAILAN, ACCREDITED TRANSLATION OFFICE LICENCE NUMBER -9 DATED: 14/6/1396 H