

## **The Company's Articles of Association concerning shareholders' meeting**

### **Chapter 5 Board of Directors**

- Section 16**      The Company shall have the Board of Directors comprising of at least five (5) directors but not more than eleven (11) directors to conduct the business of the Company, not less than half of whom shall reside within the Kingdom.
- The Company's Directors shall possess qualifications and do not have characteristics that are prohibited by laws on public company limited and other relevant laws related to the Company's operations.
- There shall be no restrictions on a shareholder becoming a director.
- Section 17**      The directors shall be elected at the shareholders' meeting in accordance with the following rules and procedures:
- (1)      Each shareholder is entitled to 1 share for 1 vote;
  - (2)      Each shareholder may exercise all his/her votes under (1) to elect one or more than one person as director or directors; however, the shareholder shall not allot his/her votes to any person in any number;
  - (3)      After the vote, the candidates shall be ranked in descending order from the highest number of votes received to the lowest and shall be appointed as directors in that order until all of the director positions are filled. Where the votes cast for candidates in descending order are tied, which would otherwise cause the number of directors to be exceeded; the chairman of the shareholders' meeting shall have a casting vote.
- Section 18**      At every Annual General Meeting, one-third (1/3) of the directors shall retire. If the number of directors is not a multiple of three, the number of directors closest to one-third (1/3) shall retire.
- A director who vacates office under this section may be re-elected.
- The directors retiring from office in the first and second years after the registration of the Company shall be selected by drawing lots. In subsequent years, the director who has held office longest shall retire.
- Section 23**      The directors shall be entitled to receive remuneration which is in accordance with the resolution of the shareholders' meeting supported by a vote of not less than two-thirds (2/3) of the total number of votes of the shareholders presenting at the meeting. Such remunerations may be stipulated in a specific amount or in general or may be effective until the shareholders' meeting deems to change. In addition, the directors shall be entitled to receive wages and welfare as stated in the Company's regulations.

The message stated in paragraph one shall not have any impact on the rights of directors served as the Company's employees to receive remunerations and benefits from being the Company's employees.

## **Chapter 6**

### **Shareholders' meeting**

#### **Section 32**

The Board of Directors shall call a shareholders' meeting which is an Annual General Meeting of Shareholders within four (4) months of the last day of the fiscal year of the Company.

Shareholders' meetings other than the one referred to in the first paragraph shall be called Extraordinary General Meetings of Shareholders. The Board of Directors may call an Extraordinary General Meeting of Shareholders any time the board considers it expedient to do so.

Unless otherwise provided by law, shareholders' meetings via electronic meeting can be held in accordance with the relevant regulations and laws.

One or more shareholders holding shares with the amount not less than ten (10) percent of the total number of shares sold may submit their names in a request directing the Board of Directors to call an Extraordinary General Meeting at any time, but reasons for calling such meeting shall be clearly stated in such request. The Board of Directors shall proceed to call a shareholders' meeting to be held within forty-five (45) days of the date of receipt of such request from the said shareholders.

In the case where the Board of Directors fails to arrange the meeting within the period as in paragraph four, the shareholders who subscribed their names or along with other shareholders amounting as given are entitled to hold the meeting. This is subject to a condition that such group of shareholders shall convene the meeting within forty-five (45) days of the lapse of the due date in paragraph four. In such case, the meeting shall be considered as a meeting called by the Board of Directors where the company must be accountable for any essential expenses incurred from the meeting and facilitate the meeting as appropriate.

In the case that the shareholders' meeting called in accordance with paragraph five is not met by meeting quorum requirements as in Section 34, the shareholders who called for the meeting shall cover the expenses of that meeting themselves.

#### **Section 33**

In calling the shareholders' meeting, whether physical meeting or electronic meeting, the Board of Directors shall prepare a written notice calling the meeting that states the place, date, time, agenda of the meeting and the matters to be proposed to the meeting with reasonable details by indicating clearly whether it is the matter proposed for information, for approval or consideration, as the case may be, including the opinions of the Board of Directors in the said matters, and the said notice shall be delivered to the shareholders and the registrar for their information at least seven (7) days prior to the date of the meeting. Moreover, the publication of the notice of the meeting shall be in accordance with the law.

In addition, if that meeting is conducted through electronic media, the notice of the meeting and supporting documents can be sent by electronic means in accordance with the rules and procedures provided in the relevant laws or notifications.

In this regard, the venue to be used for the meeting shall be in the province where the company's head office is located, or any other place in nearby provinces as may be determined by the board of directors, and if that meeting is conducted through electronic media, the company's head office shall be deemed to be the venue of the meeting.

**Section 34**

In order to constitute a quorum, whether physical meeting or electronic meeting, there shall be shareholders and proxies (if any) attending at a shareholders' meeting amounting to not less than twenty-five (25) persons or not less than one half (1/2) of the total number of shareholders and in either case, such shareholders shall hold shares amounting to not less than one-third (1/3) of the total number of shares sold of the Company.

At any shareholders' meeting, if one (1) hour passed since the time specified for the meeting and the number of shareholders attending the meeting is still inadequate for a quorum as defined in the first paragraph, and if such shareholders' meeting was called as a result of a request by the shareholders, the meeting shall be cancelled. If such meeting was not called as a result of a request by the shareholders, the meeting shall be called once again and the notice calling such meeting shall be delivered to shareholders not less than seven (7) days prior to the date of the meeting. In the subsequent meeting, a quorum is not required.

Each shareholder may prepare a proxy form to authorize not more than one (1) proxy to attend the meeting and cast vote on his or her behalf in accordance with the form as specified by the Registrar and the proxy form must be delivered to the chairman of the board or the person designated by the chairman of the board, at the venue of the meeting before such proxy attends the meeting. There can only be one proxy for such matter, regardless of the number of shares held by such shareholder.

The grant of proxy in the first paragraph may be made by electronic means, provided that safe and trustworthy procedures shall be applied to ensure that the proxy is granted by a shareholder in accordance with the rules and procedures provided in the relevant laws or notifications.

**Section 35**

The Chairman of the Board shall be the chairman of shareholders' meetings. If the Chairman of the Board is not presenting at a meeting or cannot perform his duty, the Vice Chairman presenting at the meeting shall be the Chairman of the meeting. If there is no Vice Chairman or no Vice Chairman presenting at the meeting or the Vice Chairman cannot perform his duty, the shareholders presenting at the meeting shall elect one shareholder to be the Chairman of the meeting.

**Section 36**

In order to vote in the shareholders' meeting, each shareholder shall have a number of votes equal to the number of shares held. Shareholders who have any conflict of interest in any matters shall not be able to cast their votes on such matters except for the vote for directors' election. A resolution of the shareholders' meeting shall require:

- (1) In an ordinary event, the majority vote of the shareholders who attend the meeting and cast their votes is required. In case of a tie vote, the Chairman of the meeting shall have a casting vote.
- (2) In the following events, a vote of not less than three quarters (3/4) of the total number of votes of shareholders who attend the meeting and have the right to vote is required:
  - (a) Sale or transfer of the whole or important parts of the business of the Company to other persons;
  - (b) Purchase or acceptance of transfer of the business of other companies or private companies by the Company;
  - (c) Concluding, modifying or terminating any contract concerning the granting of a lease of the Company's undertaking in whole or in substantial part, the entrusting of any other person to manage the business of the Company or an amalgamation of the undertaking with any other person with a view to sharing profits and loss;
  - (d) Amendment of the Memorandum of Association or the Articles of Association;
  - (e) Increase or reduction of the Company's registered capital;
  - (f) Liquidation of the Company;
  - (g) Issuance of the Company's debenture; and
  - (h) Merger of the Company.

**Section 37**

The agendas that shall be included in the Annual Ordinary General Meeting of Shareholders are as follows:

- (1) To consider the Board of Directors' report regarding the Company's business in the past year;
- (2) To approve the balance sheet and the profit and loss statement of the Company;
- (3) To approve the profit allocation and dividend payment;
- (4) To appoint new directors to replace the vacated directors and to specify the director's remunerations;
- (5) To appoint the auditor and to specify the remuneration of such auditor; and
- (6) To consider and approve any other matters.

**Chapter 7**  
**Accounting, financing, and Auditing**

- Section 40**      The Board of Directors shall cause to be made a balance-sheet and a profit and loss account as of the end of the fiscal year of the Company to be submitted to an Annual General Meeting of Shareholders for consideration and approval and the Board of Directors shall arrange an auditor to audit the balance sheet and the profit and loss account prior to the submission to the shareholders' meeting.
- Section 42**      Dividends shall not be paid other than out of profits. If the Company still has an accumulated loss, no dividends shall be distributed.
- Dividends shall be distributed according to the number of shares, with each share receiving an equal amount. Payment of dividends shall be approved by the shareholders' meeting.
- The Board of Directors may pay interim dividends to the shareholders from time to time if the board believes that the profits of the Company justify such payment. After the dividends have been paid, such dividend payment shall be reported to the shareholders at the next shareholders' meeting.
- Payment of dividends shall be made within one (1) month of the date of the resolution of the shareholders' meeting or the meeting of the Board of Directors, as the case may be. The shareholders shall be notified in written form of such dividend payment and the notice shall be published in the newspaper at least for three (3) consecutive days.
- Section 43**      The Company shall allocate not less than five (5) percent of its annual net profit by deducting the accumulated losses brought forward (if any) to a reserve fund until this fund attains an amount not less than ten (10) percent of the registered capital.