

1 General Assembly

L'azurde uses its General Assembly as an opportunity to engage with its shareholders and seek their input on the management of the Company. The Company seeks to maximise shareholders' ability to participate in the General Assembly process by:

- Making Directors, Executive Management and the external statutory auditor available to shareholders at the General Assembly;
- Allowing shareholders in attendance at the General Assembly a reasonable opportunity to ask questions regarding the items of business, including questions to the external statutory auditor regarding the conduct of the audit and the preparation and content of the external statutory auditor's report; and
- Providing shareholders who are unable to attend the meeting with an opportunity to submit questions in advance of the meeting.

1.1 General Principles

Shareholders' General Assembly is competent in all of its affairs. A duly constituted General Assembly represents all shareholders in exercising their powers in respect of the Company. The General Assembly shall exercise its role in accordance with the provisions of the Companies Law and Its Implementing Regulations and the Company's bylaws.

Shareholders are encouraged to participate in General Assembly or to appoint proxies to attend and vote at meetings for and on their behalf if they are unable to attend the meetings. Appropriate arrangements for the General Assembly shall be in place to encourage greatest number of Shareholders' participation, including inter alia determination of the appropriate place and time.

The process of L'azurde's General Assembly will be monitored and reviewed on a regular basis, and, if necessary, changes will be made to ensure that shareholders' needs are best served.

Board members, in particular, either Chairmen of the Company's committees or their delegates, appropriate management executives and external auditors will attend General Assembly to answer Shareholders' questions.

1.2 Shareholders' Assembly

- The Ordinary General Assembly shall convene in accordance with the situations and circumstances stated in the Companies Law and Its Implementing Regulations and the Company's bylaws.
- The Ordinary General Assembly shall convene at least once per year within the six months following the end of the Company's financial year.
- The General and Special Shareholders' Assemblies shall convene upon an invitation from the Board in accordance with the situations stated in the Companies Law and Its Implementing Regulations and the Company's bylaws. The Board shall invite the Ordinary General Assembly to convene upon the request of the external auditor, the Audit and Risk Committee or a number of shareholders holding shares equal to at least (5%) of the share capital of the Company. The external auditor may invite the assembly to convene if the Board does not invite the assembly within thirty (30) days from the date of the external auditor's request.
- The date, place and agenda of the General Assembly shall be announced at least ten (10) days prior to the date thereof; the invitation shall be published on the website of the Exchange, the Company's website and in a daily newspaper distributed in the province where the Company's head office is located. The Company



may invite the General and Special Shareholders' Assemblies to convene using methods of contemporary technologies.

- The Company may amend the agenda of the General Assembly within a period between publishing the announcement referred to in paragraph / bullet (4) above (same section) and the date of convening the General Assembly meeting, provided that the Company shall announce this as prescribed in paragraph / bullet (4) above (same section).
- Shareholders shall be granted the opportunity to effectively participate and vote in the General Assembly meetings. The meetings of the General Assemblies of shareholders may be convened and shareholders may participate in their deliberations and vote on their resolutions using methods of contemporary technologies pursuant to the Regulatory Rules and Procedures issued pursuant to the Companies Law related to Listed Joint Stock Companies.
- The Board shall work on facilitating the participation of the largest number of shareholders in the meetings of the General Assembly, including choosing the appropriate place and time of such meeting.
- The Company shall ensure recording the details of the shareholders who desire to attend at the Company's head office prior to the specified time for convening the assembly, unless the Company's bylaw state other means.

1.3 Roles and Responsibilities of Assemblies

1.3.1 Extraordinary General Assembly

The Extraordinary General Assembly shall have the following roles and responsibilities:

- amending the Company's bylaws, except for amendments which are deemed null and void pursuant to the provisions of the Companies Law;
- increasing the Company's share capital in accordance with the situations provided by the Companies Law and Its Implementing Regulations;
- decreasing the Company's share capital if it exceeds the Company's needs or in the event the Company incurs financial losses, in accordance with the situations provided by the Companies Law and Its Implementing Regulations;
- resolving to form a consensual reserve for the Company as provided for in its bylaws to be set aside for a specific purpose, and the disposal thereof;
- resolving to maintain or liquidate the Company before the end of the term specified in its bylaws;
- Approving the Company's shares buy-back;
- Issuing preferred shares or approving their buying, or converting ordinary shares into preferred shares or converting preferred shares into ordinary shares as per the Company's bylaws and the Regulatory Rules and Procedures issued pursuant to the Companies Law related to Listed Joint Stock Companies;
- Issuing debt instruments or financing deeds convertible into shares, and stating the maximum number of shares that may be issued against these instruments or deeds;
- Allocate Shares that are issued upon the capital increase or part of them for the employees of the Company, and its affiliates or some of them, or any of them; and
- Suspending preemptive rights of shareholders in subscribing for the capital increase in exchange for cash or giving priority to non-shareholders in cases as deemed in the interest of the Company if so is provided for in the Company's bylaws.

The Extraordinary General Assembly may issue resolutions that fall within the powers of the Ordinary General Assembly, provided that such resolutions are issued in accordance with the issuance requirements of Ordinary General Assembly resolutions which require that the absolute majority of shares be represented at the meeting.

1.3.2 Ordinary General Assembly

Except for the roles reserved to the Extraordinary General Assembly, the Ordinary General Assembly shall have roles in all affairs of the Company, and particularly the following:

- appointing and dismissing Board members;
- permitting a Board member to have direct or indirect interest in the business and contracts that are executed for the Company's account, in compliance with the provisions of the Companies Law and Its Implementing Regulations;
- permitting a Board member to take part in any activities that may lead to competition with the Company, or competition in any of its activities, in compliance with the provisions of the Companies Law and Its Implementing Regulations;
- monitoring the compliance of the Board members with the provisions of the Companies Law and Its Implementing Regulations and other relevant laws and the Company's bylaws; inspecting any damage that may occur as a result of their violation of such provisions or mismanagement of the affairs of the Company; determine the liability resulting therefrom and undertaking the procedures it deems proper in this regard pursuant to the Companies Law and Its Implementing Regulations;
- forming the Audit and Risk Committee pursuant to the provisions of the Companies Law and Its Implementing Regulations;
- approving the Company's financial statement;
- approving the Board report;
- deciding on the proposals of the Board with respect to the method of distributing the net profits;
- appointing the external auditors of the Company, specifying their remunerations, reappointing them, replacing them and approving their reports;
- looking into the violations and errors committed by the external auditors of the Company when performing their duties and any difficulties, reported by the Company's external auditors, regarding their empowerment by the Company's Board or Management to review the books, records and other documents, statements and clarifications required to perform their duties, and respond to that as it deems appropriate in this regard;
- resolving to withhold from setting aside statutory reserve when it reaches an amount equal to (30%) of the Company's paid share capital, and resolving to distribute the surplus of such percentage to the Company's shareholders in financial years where the Company does not generate net profits;
- using the Company's consensual reserve, if such has not been set aside for a specific purpose, provided that using such reserve shall be based on a proposal submitted by the Board and used in ways that benefit the Company or the shareholders;
- forming other reserves besides the statutory reserve and consensual reserve and disposal of the same;
- setting aside amounts from the Company's net profits to set up social organizations for the benefit of the Company's employees or to assist any such existing establishments in accordance with Article (129) of the Companies Law; and
- approving the sale of more than (50%) of the assets of the Company, whether in one or several transactions within a period of 12 months from the date of the first selling transaction. In case selling these assets includes what falls within the powers of the Extraordinary General Assembly, the approval of the said Assembly is required.

1.4 Participation in meetings through electronic means

As per Part 3 of CMA 'Regulatory Rules and Procedures issued pursuant to the Companies Law relating to Listed Joint Stock Companies', participation in shareholder meetings through electronic means is permissible as per the below:

- Contemporary technology may be used to allow the shareholders to participate in General Assembly and Special Assembly meetings and their deliberation, review agendas of such meetings and related documents, in accordance with the following rules:
 - the shareholders' participation at the General and Special Assembly must be through instant video and audio transmission;
 - the participation must be through a live connection between the Company and the shareholders, which shall enable the shareholder to actively and instantaneously participate in the General Assembly and Special Assembly, and to listen to and follow presentations, present opinions and discuss and vote on resolutions;
- Company may allow shareholders to vote on the agenda of the General and Special assembly meetings electronically, even if they did not attend those meetings, in accordance with the following rules:
 - electronic voting must allow shareholders to cast their votes, whether before or during the General Assembly and Special Assembly meeting, without the need to appoint a proxy to attend such meetings on their behalf; and
 - the electronic voting on the agenda items of any General Assembly and Special Assembly meeting commences after the date of publishing the meeting's invitation, provided that such period shall not be less than three (3) days prior to the date of the meeting. The electronic voting on any item of the meeting agenda shall stop when the discussion and the voting on the item are concluded in that General or Special Assembly.
- The provisions of participation through Contemporary Technology in General and Special Assembly Meetings shall not apply to non-shareholding Board members' participation in meetings of the General Assemblies and Special Assemblies.
- If contemporary technology is used in General Assembly or Special Assembly meetings, the Board must establish the rules and guidelines for checking the identity of the shareholder who votes electronically and participates in General Assembly and Special Assembly meetings through contemporary technology; the Board shall also verify the eligibility of each shareholder to vote on any of the meeting's agenda items.
- The attendance and votes of shareholders who participate in General Assemblies and Special Assemblies meetings by means of contemporary technology and shareholders who vote electronically are counted towards the quorum required for a validly held meeting of the General Assemblies and Special Assemblies.
- The Company may send General Assemblies and Special Assemblies meeting invitations through means of contemporary technology. This should be without prejudice to Article 91 of the Companies law, which requires:
 - Company to publish the General Assembly invitation in a daily newspaper distributed in the locality of the headquarters of the Company, at least ten (10) days prior to the date set for the assembly; and / or
 - send the invitation to all stockholders on the said date in registered letters and a copy of the invitation and the agenda shall be sent to MCI and CMA, provided that the same must be made within the term defined for the publishing.

1.5 Quorum and Adjournment of General Assemblies

1.5.1 Constituent General Assembly

- Quorum is attained by attendance of shareholders representing at least 50% of the Company's capital.
- If quorum is not attained, then a 15-day notice for a second meeting must be issued.
- The second meeting may, however, be held one hour after the lapse of the time prescribed for the first meeting, if expressly allowed in the invitation for the first meeting.
- The second meeting is valid regardless of the number of shares represented.

1.5.2 Extraordinary General Assembly

- Quorum is attained by attendance of shareholders representing at least 50% of Company's capital unless the bylaws specify a higher threshold, which in any case must not exceed two-thirds (67%) of Company's capital.
- If quorum is not attained at the first meeting, then a 10-day notice for a second meeting must be issued.
- The second meeting may, however, be held one hour after the lapse of the time prescribed for the first meeting if expressly allowed in the invitation for the first meeting.
- The second meeting is valid if attended by shareholders representing at least 25% of the Company's capital.
- If quorum is not attained at the second meeting, then a 10-day notice for a third meeting must be issued.
- The third meeting is valid regardless of the number of shares represented, provided the meeting is approved by CMA.

1.5.3 Ordinary General Assembly

- Quorum is attained by attendance of shareholders representing at least 25% of Company's capital, unless bylaws specify a higher threshold, which in any case must not exceed 50% of Company's capital.
- If quorum is not attained, then a second meeting must be held within 30 days from the date of the first meeting.
- The second meeting may, however, be held one hour after the lapse of the time prescribed for the first meeting, if expressly allowed in the invitation for the first meeting.
- The second meeting is valid regardless of the number of shares represented.

1.6 Agenda of the General Assembly

- When preparing the General Assembly's agenda, the Board shall take into consideration the matters that the shareholders wish to list; shareholders holding no less than (5%) of the Company's shares are entitled to add one or more items to the agenda upon its preparation.
- The Board shall separate each of the matters listed in the agenda of the General Assembly meeting as an independent item, and not combine significantly different matters under one item, and not combine the businesses and contracts in which Board members have a direct or indirect interest under one item, for the purpose of obtaining the shareholders' vote for the item as a whole.
- The shareholders shall be allowed through the Company's website and the Exchange's website, when the invitation for the convention of the General Assembly is published, to obtain the information related to the items of the General Assembly's agenda, particularly the reports of the Board and the external auditor, the



financial statements and the Audit and Risk Committee's Report in order to enable them to make an informed decision in this regard.

- The Company shall update this information in case the General Assembly's agenda was amended.
- CMA may add any items it deems appropriate to the agenda of the General Assembly.

1.7 Management of the Shareholders' Assembly

- The Shareholders' General Assembly meetings shall be chaired by the chairman, his deputy (if the chairman is absent) or whom is delegated by the Board of directors of its members (when the chairman and his deputy are absent).
- The chairman of the Shareholders' Assembly shall commit to grant the shareholders the opportunity to effectively participate and vote in the meetings of the General Assembly, and avoid any procedure that may prevent their attendance to the assemblies or the exercise of the voting right. Shareholders shall be informed of the rules governing such meetings and the voting procedures.
- Shareholders are entitled to discuss matters listed in the agenda of the General Assembly and raise relevant questions to the Board members and to the external auditor. The Board or the external auditor shall answer the questions raised by shareholders to the extent that does not jeopardize the Company's interest.
- Shareholders shall be granted access to the minutes of the General Assembly meeting; and the Company shall provide CMA with a copy of such minutes within (10) days of the date of any such meeting.
- A Company shall announce to the public and inform CMA and the Exchange, as per the rules prescribed by CMA, of the results of a General Assembly meeting immediately following its conclusion.
- CMA may also attend any of L'azurde's General Assembly meetings.

2 Rights of Shareholders

The Board will protect and facilitate the exercise of shareholders' rights to ensure fair and equitable treatment among all shareholders.

Both Board and the Executive Management are obliged to ensure that there is no discrimination among shareholders who own the same class of shares and they are treated equally. In addition, they also ensure that there is no impediment for shareholders from accessing their rights.

The Company shall also specify in its internal policies the procedures that are necessary to guarantee that all shareholders exercise their rights.

2.1 Shareholders' Rights related to shares

All shareholder shall be entitled to all rights attached to the share, in particular:

- obtain his/her portion of the net profits which are to be distributed in cash or through the issuance of shares;
- obtain his/her share of the Company's assets upon liquidation;
- attend the General or Special Shareholders Assemblies, take part in their deliberations and vote on their decisions;
- dispose of his/her shares in accordance with the provisions of the Companies Law, The Capital Market Law and their implementing regulations ;
- enquire and request viewing the books and documents of the Company, including the data and information related to the activities of the Company and its operational and investment strategy without prejudice to the interests of the Company or breach of the Companies Law and the Capital Market Law and their implementing regulations;
- monitor the performance of the Company and the activities of the Board;
- hold Board members accountable, to file liability lawsuits against them and appeal for nullification of the resolutions of the General and Special Shareholders Assemblies in accordance with the conditions and restrictions provided in the Companies Law and the bylaws of the Company;
- preemptive rights to subscribe for new shares issued in exchange for cash unless otherwise specified in the Company's bylaws or when the Extraordinary General Assembly suspends the pre-emptive rights are per Article 140 of the Company's Law.
- record his/her name in the Company's shareholders register;
- request to view a copy of the Company's articles of association and bylaws unless Company publishes them on its website; and
- nominate and elect the Board members.



2.2 Shareholders Access to information

All information which enable shareholders to properly exercise their rights shall be made available and such information shall be complete, clear, accurate and not misleading; it must be provided at proper times and shall be updated on a regular basis.

The method used to provide information to the shareholders shall be clear and detailed and shall include a list of the Company's information that the shareholders may obtain. This information shall be made available to all shareholders of the same class.

L'azurde shall use most effective methods in communicating with shareholders and shall not discriminate among shareholders in respect of providing information.

2.3 Shareholders Voting Rights

Voting is deemed to be a fundamental right of a shareholder, which shall not, in any way, be denied. The Company must avoid taking any action which might hamper the use of the voting right; a shareholder must be afforded all possible assistance as may facilitate the exercise of such right. Following shall be followed with regards to shareholders voting rights:

- Upon calling for the General Assembly, the Company shall announce on the Exchange's website information about the nominees for the membership of the Board which shall include the nominees' experience, qualifications, skills and their previous and current jobs and memberships. The Company shall make a copy of the mentioned information available in the Company's head office and its website.
- Cumulative voting shall be used in electing the Board, in which it is not allowed to use the voting right of a single share more than once.
- Voting in the General Assembly shall be confined to the Board nominees whose information has been announced as per paragraph / bullet 1 (same section).

2.4 Distribution of Dividends

Company's bylaws shall prescribe the percentage of the net profits to be distributed to the shareholders after setting aside the statutory reserve and the other reserves.