

F96000002506
TRANSMITTAL LETTER

**TO: Qualification/Tax Lien Section
Division of Corporations**

SUBJECT: SAUDI ARABIAN AIRLINES CORPORATION (dba SAUDIA)
(Name of corporation - must include suffix)

Dear Sir or Madam:

The enclosed "Application by Foreign Corporation for Authorization to Transact Business in Florida", "Certificate of Existence", and check are submitted to register the above referenced foreign corporation to transact business in Florida.

Please return all correspondence concerning this matter to the following:

700001755207
-03/22/96--01117--003
*****78.75 *****78.75

WILLIAM A. NELSON
(Name of Person)

WILLIAM A. NELSON, ATTORNEY AT LAW
(Firm/Company)

W96-6353

1815 NORTH FORT MYER DRIVE SUITE 805
(Address)

ARLINGTON, VIRGINIA 22209
(City/State/Zip)

FILED
SECRETARY OF STATE
DIVISION OF CORPORATIONS
96 MAY 20 AM 10:35

Should you need to call someone concerning this matter, please call:

WILLIAM A. NELSON at (703) 525-1354
(Name of Person) (Area Code & Daytime Telephone Number)

COURIER ADDRESS:

Qualification/Tax Lien Sec.
Division of Corporations
409 E. Gaines St
Tallahassee, FL 32399

MAILING ADDRESS:

Qualification/Tax Lien Section
Division of Corporations
P. O. Box 6327
Tallahassee, FL 32314

WILLIAM A. NELSON
ATTORNEY-AT-LAW
1818 NORTH FORT MYER DRIVE
SUITE 805
ARLINGTON, VIRGINIA 22200

BUS: (703) 525-1354
FAX: (703) 525-4783

RE: (703) 768-1214

15 March 1996

Qualification/Tax Lien Section
Division of Corporations
P.O. Box 6327
Tallahassee, FL 32314

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SECRETARY OF STATE
DIVISION OF CORPORATIONS
96 MAY 20 AM 10:35

Dear Sir or Madam:

Attached is Saudi Arabian Airlines Corporation's Application to Transact Business in Florida. Because of the nature of corporate activities within the Kingdom of Saudi Arabia, a few points of explanation may be necessary.

- 1) Saudi Arabian Airlines (dba as "Saudia") does not issue annual reports on a regular basis. They do not distribute the business addresses of their directors. There is no business address for Saudia other than P.O. Box 620, Jeddah 21231, Saudi Arabia. The Saudi's have provided, however, the telephone and fax numbers of all of its' Senior corporate officers.
- 2) Saudia was formed in 1964 by Royal Decree by King Faisal (1st page of the By-Laws).
- 3) The By-laws have been authenticated by the Consulate of the United States located in the city of Jeddah, Saudi Arabia.
- 4) A translated copy of the By-Laws is also attached, together with an authentication certificate signed by Talal Mohsen, Manager, Saudia, U.S.A. and Canada.
- 5) A copy of Mr. Mohsen's General Power of Attorney is likewise attached. Please note that within the General Power of Attorney, Mr. Mohsen has complete authority to register the Corporation pursuant to and in compliance with local laws.

Page 2 - Saudia/Request to Transact Business in Florida

It is the desire of Saudi Arabian Airlines Corp. to be authorized to transact business in Florida, and to maintain a registered agent even though it may be exempt from registration by Florida Statute 607.1501(2)(i) in that it is engaged solely in foreign air transportation between Orlando FL and the Kingdom of Saudi Arabia.

A check in the amount of \$78.75 is included, representing the registration fee and a Certificate of Status.

Respectfully,

William A. Nelson

William A. Nelson



FLORIDA DEPARTMENT OF STATE
Sandra B. Mortham
Secretary of State

March 25, 1996

WILLIAM A. NELSON
WILLIAM A. NELSON, ATTY.
1815 NORTH FT. MYER DR., STE. 805
ARLINGTON, VA 22209

SUBJECT: SAUDI ARABIAN AIRLINES CORPORATION
Ref. Number: W96000006353

FILED
SECRETARY OF STATE
DIVISION OF CORPORATIONS
96 MAY 20 AM 10:35

We have received your document for SAUDI ARABIAN AIRLINES CORPORATION and your check(s) totaling \$78.75. However, the document has not been filed and is being retained in this office for the following:

The document must be signed by the chairman, any vice chairman of the board of directors, its president, or another of its officers.

Pursuant to section 607.1502(4), 617.1502(4) or 608.502(4), Florida Statutes, this office collects a civil penalty of \$1000 for each year this entity transacted business or conducted its affairs in Florida prior to qualification and the appropriate annual report fees that would have been due this office had the entity qualified the year it began operations in this state. The amount due this office to cover both annual report and penalty fees is \$2400.00.

Enclosed please find a copy of section 607.1501 or 617.1501, Florida Statutes, which lists those activities that do not constitute transacting business or conducting affairs in this state. If after reviewing this section you determine erroneous information was inserted on the application, a sworn affidavit containing the following information must be submitted: 1.) a statement indicating erroneous information was listed on the application; and 2.) the correct date the corporation began transacting business or conducting its affairs in Florida prior to the year the application was submitted did not constitute transacting business or conducting affairs pursuant to section 607.1501 or 617.1501, Florida Statutes.

If the corporation wishes to adopt a d/b/a, they must submit the attached fictitious name packet.

If you have any questions concerning the filing of your document, please call (904) 487-6095.

Jennifer Sindt
Document Examiner

Letter Number: 496A00013481

WILLIAM A. NELSON
ATTORNEY-AT-LAW
1815 NORTH FORT MYER DRIVE
SUITE 805
ARLINGTON, VIRGINIA 22209

BUS: (703) 525-1354
FAX: (703) 525-4783

REB: (703) 768-1214

9 April 1996

Jennifer Sindt, Document Examiner
Qualification/Tax Lien Section
Division of Corporations
Florida Department of State
P.O. Box 6327
Tallahassee, FL 32314

FILED
SECRETARY OF STATE
DIVISION OF CORPORATIONS
96 MAY 20 AM 10:35

SUBJECT: Saudi Arabian Airlines Corporation
Ref. No.: W96000006353

Dear Ms. Sindt:

Enclosed for filing with the Division of Corporations is the form to be utilized for the names and addresses of officers and directors of Saudi Arabian Airlines. The lists that you have naming all of the Officers and Directors should be attached to this document. The document, at line 13, has been executed by Talal Mohsen, Manager, U.S.A. and Canada and, per your instructions, a statement has been added that "as authorized by my Power of Attorney". The Power of Attorney is also in your possession and Item 1 specifically states that Mr. Mohsen is authorized to register the Corporation pursuant to and in compliance with local laws.

With respect to the penalty imposed upon Saudi Arabian Airlines in the amount of \$2,400 because of its alleged failure to qualify prior to doing business in Florida, this is to advise that pursuant to your instruction, I did contact Mr. Mark Dunbar of the General Counsel's office and discussed with him the question of whether Saudia would be exempt from qualification pursuant to Section 607.1501(i) in that the Corporation is engaged exclusively in foreign air transportation.

It is Saudi Arabian Airline's position that the commerce clause of the U.S. Constitution precludes state regulation of

both interstate and foreign commerce, and that a state requirement that a corporation register or qualify to do business is, in fact, state regulation of interstate or foreign commerce.

In further support of Saudi Arabian Airline's position, I am enclosing an order of the U.S. Department of Transportation renewing exemption authority for Saudia in part to conduct scheduled foreign air transportation of persons, property, and mail between a point or points in Saudi Arabia and Orlando, Florida. The expiration date of the exemption authority has been extended through March 31, 1997. Saudi Arabian Airlines conducts no business other than foreign air transportation in the State of Florida.

As I indicated in my covering letter dated 15 March 1996, even though Saudia may be exempt from registration by the Florida statutes, it is the desire of the Corporation to qualify to transact business in Florida in order to maintain a registered agent.

I would appreciate your forwarding this letter to Mr. Dunbar in the General Counsel's office for his review of the issue of exemption from qualification because of the foreign commerce clause of the U.S. Constitution.

Respectfully,

William A. Nelson

William A. Nelson



FLORIDA DEPARTMENT OF STATE
Sandra B. Mortham
Secretary of State

April 15, 1996

WILLIAM A. NELSON
WILLIAM A. NELSON, ATTY.
1815 NORTH FT. MYER DR., STE. 805
ARLINGTON, VA 22209

SUBJECT: SAUDI ARABIAN AIRLINES CORPORATION
Ref. Number: W96000006353

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In order for the Department of State (Department) to consider SAUDI ARABIAN AIRLINES CORPORATION's request for consideration to reduce or waive the civil penalties due this office for transacting business in violation of s. 607.1501, F.S., this office requires the following be submitted:

- 1) copies of the corporation's last five federal corporation income tax returns
- 2) a check made payable to the Florida Department of State in the amount of \$400.00, covering the annual report fees due this office. (Note: this office does not have statutory authority to waive or reduce past annual report fees that would have been collected had the corporation properly qualified.)

Please submit the above information and past annual report fees along with a copy of this letter to my attention. The Department's General Counsel will review and consider SAUDI ARABIAN AIRLINES CORPORATION's request for waiver or reduction of the civil penalties due this office only when the above information and annual report fees have been received.

If you have any questions concerning the filing of your document, please call (904) 487-6095.

Jennifer Sindt
Document Examiner

Letter Number: 496A00017275



Department of State
Memorandum Office of the General Counsel

TO: Don Bell, General Counsel
FROM: Gerard T. York, Assistant General Counsel
DATE: May 14, 1996
RE: Saudi Arabian Airlines, Corp. ("Saudia")

I agree
Don Bell

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DIVISION OF CORPORATIONS
96 MAY 20 PM 10:35

Based on the documentation provided by Attorney Nelson, it is my recommendation that this case be settled and that this corporation be qualified to do business in the State of Florida.

Saudia holds United States Department of Transportation authorization to conduct scheduled combination service to Orlando, and to coterminalize Orlando operations with its existing authorization to serve Washington, D.C., and New York, New York; allow stopovers at Saudia's U.S. coterminal points for passengers traveling on international tickets; conduct a maximum of eight weekly U.S. combination operations; conduct scheduled all-cargo operations between Saudi Arabia, via two intermediate points, to New York and three additional U.S. points, and beyond to two points in the Western Hemisphere, at a maximum capacity of six round trips per week, and transport cargo between New York and Orlando and between New York and Washington, limited to that cargo brought into and carried out of the United States on Saudia's all-cargo operations between Saudi Arabia and New York.

Additionally, Saudia holds a Department foreign air carrier permit to conduct scheduled foreign air transportation of persons, property and mail between a point or points in Saudi Arabia, via one intermediate point, to the U.S. coterminal points New York, New York/Washington, D.C., and beyond to one point, and charters.

Nelson has raised the interstate commerce exemption of section 607.1501, Fla. Stat., as a possible affirmative defense, should there be litigation. It is submitted that, given the underlying facts discussed above and case law interpretation of the interstate commerce exemption (which would a fortiori apply to international commerce), the Department's probability of success is debatable. See *Eli Lilly v Sav-On-Drugs*, 366 U.S. 276 (1961).

Given the costs of litigation, it furthermore does not appear cost effective to pursue this matter further. Saudia has offered to pay outstanding annual report fees of \$400. Saudia seeks to qualify to transact business in Florida in order to maintain registered agent. It is my recommendation the case be settled and the corporation be qualified to do business in this state.



Department of State
Memorandum Office of the General Counsel

TO: Jennifer Sindt, Division of Corporations
FROM: Gerard T. York, Assistant General Counsel
DATE: May 16, 1996
RE: Saudi Arabian Airlines, Corp. ("Saudia")

Pursuant to our telephone conversation today, I am returning to you the "Application by Foreign Corporation for Authorization To Transact Business in Florida" previously sent to you by Saudia. I am requesting that you issue Saudia a Certificate of Authority as requested in their March 15, 1996 application.

Please call me if there are questions.

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SECRETARY OF STATE
DIVISION OF CORPORATIONS
96 MAY 20 AM 10:35

**APPLICATION BY FOREIGN CORPORATION FOR AUTHORIZATION
TO TRANSACT BUSINESS IN FLORIDA**

**IN COMPLIANCE WITH SECTION 607.1503, FLORIDA STATUTES, THE FOLLOWING IS
SUBMITTED TO REGISTER A FOREIGN CORPORATION TO TRANSACT BUSINESS IN THE
STATE OF FLORIDA:**

1. SAUDI ARABIAN AIRLINES CORPORATION

(Name of corporation: must include the word "INCORPORATED", "COMPANY", "CORPORATION" or words or abbreviations of like import in language as will clearly indicate that it is a corporation instead of a natural person or partnership if not so contained in the name as printed.)

2. SAUDI ARABIA

(State or country under the law of which it is incorporated)

3. 13-2770633

(FBI number, if applicable)

✓ **4. JULY 18, 1964**

(Date of incorporation)

✓ **5. PERPETUAL**

(Duration: Year corp. will cease to exist or "perpetual")

✓ **6. JULY 4, 1994**

(Date first transacted business in Florida. (See sections 607.1501, 607.1502, AND 617.155, F.S.)

7. P. O. BOX 620

JEDDAH, SAUDI ARABIA 21231

(Current mailing address)

8. SALE OF INTERNATIONAL AIR TRANSPORTATION

(Purpose(s) of corporation authorized in home state or country to be carried out in the state of Florida)

9. Name and street address of Florida registered agent: (P.O. Box or Mail Drop Box NOT acceptable)

Name: **THE PRENTICE-HALL CORPORATION SYSTEM, INC.**

Office Address: **1201 HAYS STREET**

TALLAHASSEE, Florida, **32301**

(Zip Code)

10. Registered agent's acceptance:

Having been named as registered agent and to accept service of process for the above stated corporation at the place designated in this application, I hereby accept the appointment as registered agent and agree to act in this capacity. I further agree to comply with the provisions of all statutes relative to the proper and complete performance of my duties, and I am familiar with and accept the obligations of my position as registered agent.

The Prentice-Hall Corporation System, Inc.

By: Richard Vorosmarri Assistant Secretary

(Registered agent's signature)

11. Attached is a certificate of existence duly authenticated, not more than 90 days prior to delivery of this application to the Department of State, by the Secretary of State or other official having custody of corporate records in the jurisdiction under the law of which it is incorporated.

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96 MAY 20 AM 10:35

SEE ATTACHED

12. Names and addresses of officers and/or directors: (Street address ONLY- P. O. Box NOT acceptable)

A. DIRECTORS (Street address only- P. O. Box NOT acceptable) (SEE ATTACHED)

Chairman: _____

Address: _____

Vice Chairman: _____

Address: _____

Director: _____

Address: _____

Director: _____

Address: _____

B. OFFICERS (Street address only- P. O. Box NOT acceptable) (SEE ATTACHED)

President: _____

Address: _____

Vice President: _____

Address: _____

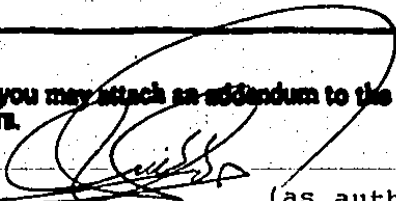
Secretary: _____

Address: _____

Treasurer: _____

Address: _____

NOTE: If necessary, you may attach an addendum to the application listing additional officers and/or directors.

13.  (Signature of Chairman, Vice Chairman, or any officer listed in number 12 of the application) Talal Mohsen (as authorized by my General Power of Attorney)

14. MANAGER USA & CANADA (Typed or printed name and capacity of person signing application)

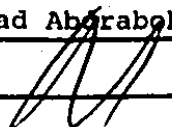
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DIVISION OF CORPORATIONS
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GENERAL AUTHENTICATION CERTIFICATE

Kingdom of Saudi Arabia)
Western Province) ss:
City of Jeddah)
American Consulate General)

I certify that the official named below, whose true signature and official seal are, respectively, subscribed and affixed to the annexed document, was, on this day, empowered to act in the official capacity designated in the annexed document, to which faith and credit are due. The Consulate does not assume any responsibility for the contents of the attached document.

Ziyad Aburaboh Zuhairi



KATHLEEN H. MANALO
CONSUL OF THE
UNITED STATES OF AMERICA

December 4, 1995

SEAL

ARTICLE XI : Auditors.

Without prejudice to the control exercised by the State Audit Office, the Board of Directors shall appoint one or more auditors from among natural persons who are duly qualified to be designated as auditors for Joint-stock companies. The Board of Directors shall fix the remuneration of the auditors. Where the auditing is effected by more than one person, all the auditors shall be jointly responsible for their work toward the Corporation.

ARTICLE XII : Exemption from Stamp Duties and Income Tax.

The Corporation shall be exempted from all duties, stamps and income tax in respect of the economic activity undertaken by it within the scope of the objects set forth in Article II hereof.

ARTICLE XIII : Enforcement of the By-laws.

These By-laws shall replace and supersede any provisions contained in other By-laws and internal regulations and which are inconsistent herewith. These By-laws shall be published in the Official Gazette and shall come into force on the date of their publication.

المادة الحادية عشر : مراقبو الحسابات :-

مع عدم الإخلال بأمانة الأمانة للمراقبة العامة فإن مجلس الإدارة أن يعين مراقباً أو أكثر للحسابات من الأشخاص الطبيعيين الذين تتوفر فيهم الشروط النظامية اللازمة للتعيين كترابي حسابات للشركات المأهولة وعند مجلس الإدارة أتتأب مراقب الحسابات وإذا تعدد مراقبو الحسابات فاتهم يكونون مسئولين بالتضامن عن أعمالهم في مواجهة المؤسسة .

المادة الثانية عشر : الإعفاء من رسوم الطابع وضرائب الدخل :-

تتفى المؤسسة من أداء كافة الرسوم والطابع وضرائب الدخل عن النشاط الاقتصادي الذي تمارسه في حدود الأغراض المنصوص عليها في المادة الثانية من هذا النظام .

المادة الثالثة عشر : نفاذ النظام :-

يلتزم هذا النظام ما يتعارض معه من أحكام في الأنظمة واللوائح الأخرى وينشر هذا النظام في الجريدة الرسمية ويصل به من تاريخ نشره

ديوان

وثيقة مجلس الوزراء

اصدق ان هذه النسخة صوره طبق الاصل من المرسوم الملكي رقم ٢٤/م وتاريخ ١٢٨٥/٧/١٨هـ بالموافقته على نظام المؤتمه العامه للخطوط الجوية العربيه السعوديه

د. خالد عبد الله بن بكر

المدير العام للمؤتمه العامه

الخطوط الجوية العربيه السعوديه



تحت مجازة

مدير

د. خالد عبد الله بن بكر

المدير العام للمؤتمه العامه

الخطوط الجوية العربيه السعوديه

رقم ٢٤/م وتاريخ ١٢٨٥/٧/١٨هـ

بالموافقته على نظام

المؤتمه العامه

للخطوط الجوية العربيه السعوديه

اصدق ان هذه النسخة صوره طبق الاصل من المرسوم الملكي رقم ٢٤/م وتاريخ ١٢٨٥/٧/١٨هـ بالموافقته على نظام المؤتمه العامه للخطوط الجوية العربيه السعوديه

د. خالد عبد الله بن بكر



د. خالد عبد الله بن بكر

المدير العام للمؤتمه العامه

الخطوط الجوية العربيه السعوديه

صحيحاً الا اذا حُفِظت... مستأخذه على الأقل بما في قيم الرئيس وتعدد القرارات بأغلبية
المخبرين. فاذا حارت الأصوات يرجع الجانب الذي صوته معه الرئيس .

المادة السابعة : مدير عام المؤسسة :-

ي عين للمؤسسة مدير عام تكون مهمته ادارية ويصدر بحسبه قرار من مجلس الوزراء
بناء على ترشيح وزير الدفاع والطيران وتعدد القرارات بمقتضى رايه .

المادة الثامنة : اختصاصات المدير العام

ي مارس المدير العام الاختصاصات التالية

١ - التخصيص الإجتماعات على الإدارة .

٢ - تنفيذ القرارات الصادرة من مجلس الإدارة .

٣ - الإشراف على موظفي المؤسسة واستخدامها وفقاً لما تقتضيه الواجبات .

٤ - استصدار الأوامر بالمرورقات الخاصة بالمؤسسة وله أن يقترض بحسبه في ذلك .

٥ - الإشراف على تنفيذ مشروع الميزانية العامة للمؤسسة ومشروع الحسابات المحاسبية
وتعدد الواجبات موعده تقديم مشروع الميزانية وشروع الحسابات المحاسبية .

٦ - مباشرة ما تقتضيه إياه الاصلحة وواجبات المؤسسة وقرارات مجلس الإدارة من

اختصاصات . ومع عدم الإخلال بما تقتضيه عليه أحكام هذا النظام يعتبر رئيس مجلس إدارة
المؤسسة أو من ينيبه هو المرجع الأعلى للمدير العام .

المادة التاسعة : تحمل المدير العام للمؤسسة :-

ي عين المدير العام للمؤسسة في صلاحها بالاشتراك مع الأخرى وإمام التقاضاء ويتربط بحسابه
قبول الديارات والتبعات وإبرام توقيع العقود وذلك في حدود ما تقتضيه عليه أحكام هذا النظام
وواجبات المؤسسة وقرارات مجلس الإدارة .

المادة العاشرة : صيانة المؤسسة :-

يكون للمؤسسة ميزانية مستقلة عن ميزانية الدولة . وتعد ميزانية المؤسسة على نمط
الميزانيات التجارية ويعد مجلس إدارة المؤسسة ميزانية سنوية وحسابات بالأرباح والخسائر
وتقريراً مفصلاً عن نشاط المؤسسة خلال سنتها المالية وعن مركزها المالي في ختام السنة المالية
وتكون السنة المالية للمؤسسة هي السنة المالية للدولة .

ARTICLE VII : The Director General of the Corporation.

The Director General shall be appointed for the Corporation, who shall have administrative and executive powers. His appointment shall be made by virtue of a decision from the Council of Ministers upon the nomination of the Minister of Defence and Aviation. The salary of the Director General shall be determined in the said decision.

ARTICLE VIII : Powers and Duties of the Director General.

The Director General shall have the following powers and duties :

1. To prepare the meetings of the Board of Directors.
2. To implement the resolutions adopted by the Board of Directors.
3. To supervise the employees and laborers of the Corporation.
4. To issue payment orders in respect of the disbursements of the Corporation and to delegate this authority to others.
5. To supervise the preparation of the draft general budget of the Corporation and the draft closing accounts. The internal regulations shall determine the dates for the submission of the draft budget and the draft closing accounts.
6. To carry out such activities as are assigned to him by the By-laws and internal regulations of the Corporation and the resolutions of the Board of Directors.

Subject to the provisions of the present By-laws, the Chairman of the Board of Directors shall be considered the supreme authority for the Director General.

ARTICLE IX : Representation of the Corporation by the Director General.

The Director General shall represent the Corporation in its relations with other persons and corporations and before the Courts. He shall act on his behalf in accepting grants-in-aid and contributions, in concluding and signing contracts within the limits set in these By-laws, the internal regulation of the Corporation and the resolutions of the Board of Directors.

ARTICLE X : Budget of the Corporation.

The Corporation shall have a budget independent from that of the State. The said budget shall be prepared in like manner as the commercial budgets. The Board of Directors of the Corporation shall prepare an annual balance sheet, a profit and loss account and a detailed report on the activities of the Corporation during its financial year and on its financial position at the close of the same year. The financial year of the Corporation shall be the same as that of the State.

ARTICLE V : Powers of the Board of Directors.

The Board of Directors is the supreme authority which manages and controls the business and affairs of the Corporation, sets its general policy without regard to the administrative and financial regulations followed in ministries and other Government departments. In this respect the Board shall have, inter alia, the following powers :

1. To issue financial, administrative, technical and internal regulations and decisions, including the classification and definition of jobs.
2. To propose internal regulations relative to the appointment of the Corporation's employees and laborers, to their promotion, determination of their salaries, wages, gratuities and other benefits whether in kind or cash without regard to laws and regulations applying to government employees. The internal regulations relative to the foregoing shall be issued by the Council of Ministers. However, with regard to pensions the Corporation shall be bound to apply the Civil Pension Plan for Government Employees. As to laborers, they shall be governed by the Labor and Laborers Regulations.
3. To approve the draft budget of the Corporation which shall not be effective except after its ratification by a Royal Decree.
4. To approve the draft closing accounts of the Corporation for the purpose of having them duly ratified by the competent authority.
5. To appoint the senior employees, advisors and experts of the Corporation and determine their salaries, gratuities and powers.
6. To purchase, sell, take and grant aeroplanes on lease.
7. To enter into agreements with establishments or corporations having similar objects and to participate in international conferences and organizations which are concerned with civil or commercial aviation.

The Board may set up from among its members one or more committees and delegate to them part of its powers. It may delegate to its Chairman or to the Director General of the Corporation part of its powers and may also authorize one or more of its members to carry out specific duties.

ARTICLE VI : Meetings of the Board of Directors.

The Board of Directors shall hold its meetings at the place of business of the Corporation or in any other town specified by the Board upon call of its chairman. The meetings held by the Board shall not be less than ten each year. The meeting of the Board shall be valid only if attended by at least six Directors including the Chairman. The resolutions of the Board shall be passed by the majority vote of the members present. In case of a tie, the Chairman shall have a casting vote.

الهيئة العامة التي تدير عليها دون التقييد بالنظم الإدارية والمالية التابعة في الوزارات والمصالح الحكومية وله في سبيل ذلك دون تحديد لإختصاصه :

١ - إصدار اللوائح والقرارات والآلية والإدارية والتقنية والمالية بما في ذلك ترتيب الوظائف وتعديلها .

٢ - اقتراح اللوائح للسلطة بصيغتها موافقة الهيئة واستخدامها وعملها وتوقيتها وتحديد مرتباتهم وأجورهم ومكافاتهم وما يتبعون من محيرات عينية أو نقدية وغير ذلك دون التقييد بالنظم واللوائح الخاصة بموظفي الحكومة .

وتصدر اللوائح الخاصة بذلك بقرار من مجلس الوزراء على أنه فيما يتعلق بمعاملات التعاقد فإن الهيئة تطبق بنظام التعاقد المدني لموظفي الدولة .

أما العمال فطبق عليهم النظم الخاصة بالعمل والعمال .

٣ - اقرار مشروع للزيادة الخاصة بالهيئة . ولا تكون زيادة الهيئة نافذة الا بعد التصديق عليها بمرسوم ملكي .

٤ - اقرار مشروع الحساب الختامي للهيئة بقصد الصادقة عليه من الجهة المختصة نظاماً

٥ - تعيين كبار موظفي الهيئة والمتقارنين والخبراء وتعديد رواتبهم ومكافاتهم وصلاحياتهم .

٦ - شراء وبيع الطائرات وتأجيرها واستئجارها .

٧ - ايرام الاتفاقيات مع الحسابات أو الشركات التي تتبرك ولياها في نفس الغرض والإشتراك في المؤتمرات والندوات والهيئات الدولية التي تختص بشؤون النقل الجوي المدني أو التجاري .

وللمجلس أن ينكل من بين أعضائه لجنة أو أكثر ويعهد إليها ببعض اختصاصاته .
وتحوز له أن يعهد لرئيس المجلس أو مدير عام الهيئة بعض اختصاصاته كما له أن يفوض عضواً أو أكثر للقيام بعمه محددة .

للمادة السادسة : اجتماعات مجلس الإدارة : -

يتخذ مجلس ادارة الهيئة في مقر الهيئة أو في مدينة يحددها بدعوة من رئيسه وشب الاقل الحلمات التي يعقدها المجلس عن عشرة جلسات في السنة . ولا يكون انعقاد المجلس

٨- إنشاء وتنظيم المآهد والمآارس الخاصة بالتعليم العمل للطيران وللأجهزة الجوية وتدريب الموظفين على الأعمال التي تدخل ضمن أفرانسها بقصد إحصاء عنصر سعودي جدير بالتعليم يتبع الوظائف الجوية والأجهزة التجارية الساعلة في أفرانس الجوية .

٩ - إدارة وإقامة وإعداد حفلات وسباقات ومآارض للطيران .

١٠- إدارة جميع العمليات اللازمة لتحقيق الفروض التي أنتت من أجله وللجسمة أن تساهم أو تتشارك بأي وجه من الوجوه مع الشركات أو الهيئات التي تمارس أعمالاً متابهة أفرانها أو التي تتآازر في تحقيق أفرانسها في المآعل أو المآارج وأن تسجها أو تطمها بها .

المادة الخامسة : أموال الجسمة :-

١- الأموال العامة :- تكون أموال الجسمة من :-

٢ - الأموال العامة والتعبئة الحكومية أو اقمصة حالياً للجسمة العامة للخطوط الجوية العربية السعودية .

٣ - القروض التي تقدمها الجسمة .

٤ - الدخول التي تحققها الجسمة من ممارسة النشاط الذي يدخل ضمن أفرانسها .

٥ - الهبات والتبرعات التي يقبلها مجلس الإدارة .

وتؤرج أموال الجسمة في البنك أو البنوك التي يعينها مجلس الإدارة .

المادة السادسة : إدارة الجسمة :-

يقول إدارة الجسمة مجلس يرأسه وزير الدفاع والطيران أو من ينيه وسنة أعضاء مجلسه يستتم قرار من مجلس الوزراء بناء على ترشيح وزير الدفاع والطيران عن تفرز قسم الولايات القضائية ، ويكون يتم :-

١ - مساعد وزير الدفاع والطيران لتتوزع الطيران المدني ومدير عام الجسمة ورئيس الطيران المدني .

٢ - ممثلين من الهيئات الحكومية ذات العلاقة .

٣ - من يرشحهم وزير الدفاع والطيران من غير هؤلاء .

ويعد قرار مجلس الوزراء فترة عضوية من يتأزروهم ومقدار الكافة التي تتجع مقابل عضوية المجلس .

المادة الخامسة : سلطات مجلس الإدارة :-

مجلس إدارة الجسمة هو السلطة العليا للجسمة على شئونها وتصرف أمورده ووضع

9. To organize, hold and prepare air performances, contests and exhibitions.

10. To carry out all the activities necessary to achieve the objectives for which the Corporation has been established. The Corporation may enter into association or collaboration of any kind with other corporations or organizations which carry out activities similar to its own activities or which help in the achievement of its purposes within and without the Kingdom and to merge said corporations and organizations in it.

ARTICLE III : Property of the Corporation

The property of the Corporation shall consist of the following :

1. The funds in kind presently owned by or allocated to the Saudi Arabian Airlines Corporation.
2. The funds in kind or in cash which the General Treasury of the State may grant.
3. The loans raised by the Corporation.
4. The income realized by the Corporation from its objectives.
5. The donations and contributions accepted by the Board of Directors.

The Corporation shall deposit the Corporation's funds at the bank or banks designated by the Board of Directors.

ARTICLE IV : Management of the Corporation.

The Corporation shall be managed by a Board presided over by H.R.H. Minister of Defence and Aviation, or his nominee, and composed of nine members appointed by a resolution of the Council of Ministers on nomination by the Minister of Defence and Aviation from among those persons who have suitable qualifications, and shall include :-

1. The Assistant Minister of Defence and Aviation for Civil Aviation Affairs, the Director General of the Corporation and the President of Civil Aviation.
2. Representatives of related Government units.
3. Nominees of the Minister of Defence & Aviation other than those mentioned above.

The Council of Ministers resolution shall determine the tenure of office of the members appointed by it, and the remuneration granted to them in consideration of such membership.

BY-LAWS OF SAUDI ARABIAN AIRLINES CORPORATION

ARTICLE I : Name, Head Office and Legal Capacity of the Corporation.

The Saudi Arabian Airlines Corporation is a public and independent organization having legal capacity and attached to the Ministry of Defence and Aviation. Its Head Office shall be in Jeddah and the Council of Ministers may determine the transfer of its Head Office to another town within the Kingdom.

ARTICLE II : Objectives of the Corporation.

The objective of this Corporation is to carry out all kinds of activities relating to air, commercial and civil transport inside and outside the Kingdom. For the purpose of achieving this objective the Corporation shall have the following rights:

1. To exploit all air transport routes.
2. To build, manufacture, purchase, sell take and grant on lease and charter aeroplanes, machines, air transport, supplies and equipment, spare parts thereof and all that is necessary to operate the same.
3. To construct, maintain and operate airports, air stations, warehouses, stores, storing depots or aircraft landing stations, aeroplane machines of any kind whether for its own account or for the account of others.
4. To operate mechanical and electrical workshops and trade in engines and machines of all kinds and types.
5. To deal in all that is related to aerial and cinematographic and radio photography for communicating with airports and exchanging reports on atmospheric conditions, controlling cultivation and disinfecting crops from the air.
6. To purchase and sell real estate property for the purpose of achieving the objectives of the Corporation and to take and grant on lease the said real estate property.
7. To erect buildings and constructions and their appurtenances whether permanent or provisional which may be of direct or indirect benefit for the objectives of the Corporation.
8. To establish and organize institutes and schools pertaining to the practical teaching of aviation and air navigation and training the employees on activities that fall within the objectives of the Corporation with a view to create a Saudi element qualified to perform all the technical, administrative and commercial duties related to the objectives of the Corporation.

بسم الله الرحمن الرحيم

الملكة العربية السعودية

حيوان وشحة مجلس الوزراء

نظام

للشركة العامة للخطوط الجوية العربية السعودية

لشركة الأوق : اسم الشركة وقهرها وشخصيتها الإبحارية
الشركة العامة للخطوط الجوية العربية السعودية مؤسسة عامة مسئلة تتسع
بالشخصية الإبحارية وترتبط بوزارة الدفاع والطيران ويكون مقرها في مدينة جدة وشهد
مجلس الوزراء أن يقرر قهرها في مدينة أخرى داخل المملكة .

لشركة الثانية : أغراض المؤسسة :-

- 1- لغرض هذه المؤسسة هو القيام بكافة أعمال النقل الجوي والتجاري والمدني داخل المملكة وخارجها وفيما في سبل تحقيق هذا الغرض .
- 2- بناء وصيانة وشراء ومع وتاجير واستجار الطائرات وآلات الطيران ومهمات النقل الجوي ومعداتا وإزائها وقطع غيارها وكافة ما يلزم لتسييرها .
- 3- إنشاء وصيانة واستغلال مطارات ومحطات طيران ومستودعات ومخازن ومحطات التخزين أو استقبال الطائرات وآلات الطيران من أي نوع سواء كان لحاها أو لحساب غيرها .
- 4- استغلال الورش الميكانيكية والكهربائية وتجارة الحركات من جميع الأنواع والألات من جميع الأنواع .
- 5- الاستغلال بكل ما له علاقة بأعمال التصوير التصويري والسينما وتوغيرافي الجوي واللاصلاكي لإحصال بين الطائرات والتطير عن الأصول الجوية ومراقبة الزراعة وتبيخه الحاصل من الجو .
- 6- شراء ومع الطائرات اللازمة لتحقيق أغراضها واستجارها وتأجيرها .
- 7- إقامة للباقي والممرات وتوابعها سواء كانت مدنية أو مؤققة ويمكن أن تعدد بقائمة مباشرة أو غير مباشرة لأغراض المؤسسة .

بسم الله الرحمن الرحيم

الرقم : م ٢٤
التاريخ ١٨ ٧ ١٣٨٥ هـ
الملك العربية السعودية
ديوان رئاسة مجلس الوزراء

بسمون الله تعالى

نحن فيصل بن عبد العزيز آل سعود

ملك المملكة العربية السعودية

بعد الاطلاع على المادتين (١٩ : ٢٠) من نظام مجلس الوزراء الصادر

بالمرسوم الملكي رقم (٣٨) وتاريخ ٢٢ ١٠ ١٣٧٧ هـ

وبعد الاطلاع على قرار مجلس الوزراء رقم (٣٩٣) وتاريخ

١٦ ٧ ١٣٨٥ هـ

رسمنا بما هو آت

أولاً : الموافقة على نظام التيسر العامة للخطوط الجوية العربية السعودية
بالصيغة المرفقة هنا .

ثانياً : على نائب رئيس مجلس الوزراء ووزير الدفاع والطيران تنفيذ مرسومنا
هنا .

فيصل .

KINGDOM OF SAUDI ARABIA

No. M/24

Date 18/7/1385

With the help of God

WE FAISAL BEN ABDUL AZIZ AL SAUD

King of the Kingdom of Saudi Arabia

After reviewing Articles 19 and 20 of the Regulations of the council of Ministers issued by Royal Decree No. 38 dated 22/10/1377 and after reviewing the Decision of the Council of Ministers No. 393 dated 16/7/1385

Decree the following :

First : Approval of the By-laws of the Saudi Arabian Airlines Corporation in the text attached hereto.

Second : The Deputy Prime Minister and the Minister of Defence and Aviation shall implement this Decree of ours.

FAISAL

المملكة العربية السعودية
وزارة الدفاع والطيران

KINGDOM OF SAUDI ARABIA
MINISTRY OF DEFENCE AND AVIATION



نظمت امر مؤسست
الخطوط الجوية العربية السعودية



BY-LAWS
SAUDI ARABIAN AIRLINES CORPORATION

المملكة العربية السعودية
وزارة الدفاع والطيران



مخطا من مخطا
الخطوط الجوية العربية السعودية

مخطا من مخطا

KINGDOM OF SAUDI ARABIA
MINISTRY OF DEFENCE AND AVIATION



BY-LAWS
SAUDI ARABIAN AIRLINES CORPORATION

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SECRETARY OF STATE
DIVISION OF CORPORATIONS
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SAUDIA BOARD OF DIRECTORS

1. H.R.H. PRINCE SULTAN BIN ABDUL AZIZ
Second Deputy Prime Minister,
Minister of Defence & Aviation &
Inspector General
Chairman of the Board of Directors
2. H.H. PRINCE FAHAD BIN ABDULLAH
BIN MOHAMMED BIN SAUD AL-SAUD
Assistant Minister of Defence & Aviation
for Civil Aviation Affairs
(Member)
3. H.E. DR. KHALED A. BEN-BAKR
Director General - Saudia
(Member)
4. H.E. DR. ALI A. AL-KHALAF
President of Civil Aviation
(Member)
5. H.E. DR. JABARA AL-SERAIRY
Deputy Minister of Finance and
National Economy
(Member)
6. H.E. AHMED AL-TURKI
Deputy Communications Minister for
Transport Affairs
(Member)
7. H.E. DR. ABDUL RAHMAN AL-ZAMIL
Deputy Commerce Minister
(Member)
8. H.E. ABDUL RAHMAN AL-JERAISY
President of the Council of Saudi Chambers
(Member)
9. H.E. DR. ABDULLAH DAHLAN
Secretary General of the Jeddah Chamber of
Commerce and Industry
(Member)
10. H.E. YOUSUF MAIMANI
President of the Madinah Chamber of
Commerce and Industry
(Member)

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96 MAY 20 AM 10:35

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 DIVISION OF CORPORATIONS
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SAUDIA EXECUTIVES

<u>NAMES & TITLE</u>	<u>CC</u>	<u>TEL NOS</u>	<u>FAX NOS</u>
01. H.E. DR. KHALED A. BEN-BAKR Director General	111	6862203	6863661
02. MR. ADNAN AL-DABBAGH E.V.P. Operations	145	6862202	6863467
03. MR. HISHAM M. AREF General Auditor	151	6862327	6864412
04. MR. ALI Y. MOHARRAK V.P. Catering & Exec Proj Director	701	6864889	6820948
05. MR. AHMED A. JAZZAR V.P. Technical Services	801	6841059	6841500
06. CAPT. JAZZA GHANEM V.P. Flight Operations	901	6842610	6842681
07. CAPT. MOHAMMED H. EID V.P. Royal Flight Operations	971	6842585	6841142
08. MR. SARI I. ISLAM V.P. Sales	704	6862268	6822537
09. MR. ZAIN E. AMEEN V.P. Services	706	6862369	6864475
10. MR. ZUHAIR O. DUHAIBY V.P. Corporate Admin.	500	6862204	6862425
11. MR. ABDULAZIZ AL-HAZMI V.P. International Regions	702	6863632	6863256
12. MR. HASAN M. TAYEB V.P. Personnel	518	6864013	6863772
13. MR. MOHAMMED AL-BAIZ V.P. Domestic Areas	703	6864374	6862971
14. MR. HANY M. AREF V.P. Arab & International Affairs	002	6862285	6861919
15. MR. NASSER AL-MANSOUR V.P. Material Management	880	6842057	6842799

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DIVISION OF CORPORATIONS
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16. MR. SAMI Y. SANKARI V.P. Finance	601	6864375	6864526
17. MR. MUSTAFA M. MOAWAD V.P. Communications System	990	6862390	6864526
18. MR. FOUAD A. GHULAM V.P. Royal & VIP Admin. Affairs	121	6862012	6863661
19. MR. MOHAMMED ALI H. ZAREI G.M. Planning & Research	201	6862359	6863113
20. MR. YARUB A. BALKHAIR G.M. Public Relations	181	6862349	6862006
21. MR. EID AL-KELABI A.V.P. Riyadh	707	2221248	2221474
22. MR. ABDULRAHMAN MOGBIL A.V.P. Dhahran	707	8948800	8984113
23. MR. MOHAMMED F. AL-ABOUD A.V.P. Inflight Services	705	6842618	6842620
24. MR. HAMOUD H. AL-JODAIBI A.V.P. Jeddah	707	6862560	6313922
25. MR. ALI H. TURAIF A.V.P. Royal & VIP Admin. Affairs	121	6861940	6863661
26. MR. YOUSUF A. ELMARZOUKI A.V.P. Treasury	670	6862536	6862760
27. MR. GAHTAN A. BALKHAIR G.M. H.E. The D.G's Office	121	6862208	6863661
27. MR. KHALID A. BUSTANJI General Secretary Board of Directors	111	6862388	6863931
<hr/>			
28. MR. ABDUL QADER BURHAN G.M. Syst Resv Control & Procedures	771	6862317	6863431

KEY: EVP = EXECUTIVE VICE PRESIDENT
VP = VICE PRESIDENT
AVP = ASSISTANT VICE PRESIDENT
GM = GENERAL MANAGER

Order 95-9-22



UNITED STATES OF AMERICA
DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY
WASHINGTON, D.C.

SERVED SEP 22 1995

Issued by the Department of Transportation
on the 22nd day of September, 1995

Application of :
SAUDI ARABIAN AIRLINES CORPORATION :
for renewal of exemptions under :
49 U.S.C. section 40109 :

Dockets 46761
49496

ORDER RENEWING EXEMPTION

SUMMARY

By this order, we renew the exemption authorities of Saudia Arabian Airlines Corporation (Saudia) to conduct scheduled combination and all-cargo operations between Saudi Arabia and the United States. The authority will be effective through March 31, 1996.

BACKGROUND

Saudia holds Department exemption authorities to: (1) conduct scheduled combination service to Orlando, Florida, and to coterminalise Orlando operations with its existing authorities to serve Washington, D.C., and New York, New York; (2) allow stopovers at Saudia's U.S. coterminal points for passengers traveling on international tickets; (3) conduct a maximum of eight weekly U.S. combination operations; (4) conduct scheduled all-cargo operations between Saudi Arabia, via two intermediate points, to New York and three additional U.S. points, and beyond to two points in the Western Hemisphere, at a maximum capacity of six round trips per week; and (5) transport cargo between New York and Orlando and between New York and Washington, limited to that cargo brought into and carried out of the United States on Saudia's all-cargo operations between Saudi Arabia and New York.¹

¹ See Order 95-2-29. In addition to its exemption authorities, Saudia holds a Department foreign air carrier permit to conduct scheduled foreign air transportation of persons, property and mail between a point or points in Saudi Arabia, via one intermediate point, to the U.S. coterminal points New York, New York/Washington, D.C., and beyond to one point, and charters (see Order 88-12-13.)

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DIVISION OF CORPORATIONS
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APPLICATION

On March 30, 1995, Saudia requested renewal of its exemption authorities noted above. In support, Saudia stated that the Scheduled Air Services and Charter Air Services Annexes to the U.S.-Saudi Arabia Air Transport Agreement expired by their terms on March 31, 1995, that it expects that the Annexes will be extended, and that grant of its request in the interim is supported by comity and reciprocity with Saudi Arabia and is consistent with the public interest.²

RESPONSIVE PLEADINGS

On April 13, 1995, Northwest Airlines, Inc., answered and urged the Department to deny the request. Northwest stated that it holds a Department exemption to conduct scheduled combination operations to Saudi Arabia, via Amsterdam, Netherlands, under a code-share arrangement with KLM Royal Dutch Airlines; that it has been unable to commence that service because the Saudi Government refuses to authorize it to do so; and that comity and reciprocity therefore do not support grant of Saudia's request.

On April 21, 1995, Saudia and the Greater Orlando Aviation Authority (Orlando) replied to Northwest's answer.³

Saudia stated that all rights granted to U.S. and Saudi carriers have been limited to direct-carrier service only; that the principles of comity and reciprocity cannot be stretched to encompass the service proposed by Northwest and KLM; and that the purpose of Saudia's request is to maintain the status quo pending renewal of the annexes to the Agreement. Orlando supported Saudia's request and stated the carrier has provided direct service between Saudi Arabia and Orlando that is otherwise unavailable.

DECISION

We have decided to grant Saudia's request through the period ending March 31, 1996, the expiration of the Scheduled Air Services and Charter Air Services Annexes (Annexes) to the U.S.-Saudi Agreement. We find that our action is consistent with the public interest.

Upon expiration of the Annexes on March 31, 1995, both governments agreed to uphold the provisions of the Annexes until the extension of the Annexes. On May 27, 1995, diplomatic

² Saudia has invoked the automatic extension provisions of federal law (5 U.S.C. 558(c), as implemented by 14 CFR Part 377) to maintain its Department exemption and permit authorities. ✓

³ Orlando accompanied its reply with a motion to file an unauthorized document. We will grant Orlando's motion.

notes were exchanged between the two governments, which formally extended the Annexes through March 31, 1996. All of the authorities sought here by Saudia are encompassed by the Annexes. The code-share authority sought by Northwest, on the other hand, is extrabilateral. Nonetheless, we are sensitive to Northwest's concerns and are disappointed that the Saudi Government has not approved the arrangement which would facilitate Northwest's entry into the Saudi market. We have made the Saudi Government aware of our concerns and will continue intergovernmental efforts to resolve the issue. However, we do not find that the public interest warrants our withholding the bilateral authority requested here by Saudia.

In view of the above, we find that grant of the authority described here is consistent with the public interest and that our action does not constitute a major regulatory action under the Energy Policy and Conservation Act of 1975.

ACCORDINGLY,

1. We grant Saudi Arabian Airlines Corporation an exemption from the provisions of 49 U.S.C. section 41301 to: (1) conduct scheduled foreign air transportation of persons, property and mail between a point or points in Saudi Arabia and Orlando, Florida; (2) coterminimize operations at Orlando with Saudia's existing authority to serve the U.S. cotermininal points New York, New York, and Washington, D.C.; (3) allow stopovers at the U.S. cotermininal points noted above for passengers traveling on international tickets; and (4) conduct a maximum of eight roundtrip combination flights per week between Saudi Arabia and the United States;

2. We grant Saudi Arabian Airlines Corporation an exemption from the provisions of 49 U.S.C. section 41301 to: (1) conduct scheduled all-cargo operations between Saudi Arabia, via two intermediate points, to New York and three additional U.S. points, and beyond to two points in the Western Hemisphere (Canada, Mexico, South America), at a maximum capacity of six round trips per week; and (2) transport cargo between New York and Orlando, and between New York and Washington, on Saudia's authorized combination operations between Saudi Arabia and those U.S. cities; provided that the cargo to be transported between New York, on the one hand, and Orlando/Washington on the other, is limited to that cargo transported between Saudi Arabia and New York on Saudia's all-cargo operations in that market;

3. The authorities granted above are effective immediately through March 31, 1996;

4. In the conduct of the services authorized above, Saudia must adhere to the applicable terms, conditions and limitations of its foreign air carrier permit (Order 88-12-13);

5. We grant the Greater Orlando Aviation Authority's (Orlando) request for leave to file;
6. We may amend, modify or revoke this authority at any time and without hearing; and
7. We will serve a copy of this order on Saudia, the Greater Orlando Aviation Authority, Northwest, the Ambassador of Saudi Arabia in Washington, D.C., the Department of State (Office of Aviation), and the Federal Aviation Administration (AFS-200).

By:

MARK L. GERCHICK
Acting Assistant Secretary for Aviation
and International Affairs

(SEAL)



AUTHENTICATION CERTIFICATE

I, TALAL ABDUL MOHSEN, BY VIRTUE OF THE GENERAL POWER OF ATTORNEY VESTED IN ME (ATTACHED), TO DO ALL THINGS NECESSARY TO REGISTER THE CORPORATION PURSUANT TO AND IN COMPLIANCE WITH LOCAL LAWS DO HEREBY STATE:

1. THAT I HAVE PERSONAL KNOWLEDGE OF THE FOREMENTIONED SAUDI ARABIAN AIRLINES CORPORATION (SAUDIA) AS A CORPORATION.
2. THAT THE COPY OF THE ROYAL DECREE SIGNED BY KING FAISAL OF SAUDI ARABIA IS A TRUE AND CORRECT COPY OF THE ORIGINAL DECREE.
3. THAT THE ROYAL DECREE FORMALLY INCORPORATED SAUDI ARABIAN AIRLINES CORPORATION.
4. THAT THE ROYAL DECREE IS IN SUBSTITUTION OF A CHARTER AND ARTICLES OF INCORPORATION.
5. THAT THE ATTACHED BY-LAWS FULLY SET FORTH THE OBJECTIVES AND GOVERNANCE OF THE CORPORATION.
6. THAT THE ROYAL DECREE DATED JULY 18, 1964, AND THE BY-LAWS ARE STILL IN FULL FORCE AND EFFECT.

Talal Abdul Mohsen
Manager Saudia USA & Canada

NOTARY PUBLIC

KINGDOM OF SAUDI ARABIA

No. M/24

Date 18/7/1385

With the help of God

WE FAISAL BEN ABDUL AZIZ AL SAUD

King of the Kingdom of Saudi Arabia

After reviewing Articles 19 and 20 of the Regulations of the Council of Ministers issued by Royal Decree No. 38 dated 22/10/1377 and after reviewing the Decision of the Council of Ministers No. 393 dated 16/7/1385

Decree the following :

First : Approval of the By-laws of the Saudi Arabian Airlines Corporation in the text attached hereto.

Second : The Deputy Prime Minister and the Minister of Defense and Aviation shall implement this Decree of ours.

FAISAL

BY-LAWS OF SAUDI ARABIAN AIRLINES CORPORATION

ARTICLE I : Name, Head Office and Legal Capacity of the Corporation.

The Saudi Arabian Airlines Corporation is a public and independent organization having legal capacity and attached to the Ministry of Defence and Aviation. Its Head Office shall be in Jeddah and the Council of Ministers may determine the transfer of its Head Office to another town within the Kingdom.

ARTICLE II : Objectives of the Corporation.

The objective of this Corporation is to carry out all kinds of activities relating to air, commercial and civil transport inside and outside the Kingdom. For the purpose of achieving this objective the Corporation shall have the following rights :

1. To exploit all air transport routes.
2. To build, manufacture, purchase, sell take and grant on lease and charter aeroplanes, machines, air transport, supplies and equipment, spare parts thereof and all that is necessary to operate the same.
3. To construct, maintain and operate airports, air stations, warehouses, stores, storing depots or aircraft landing stations, aeroplane machines of any kind whether for its own account or for the account of others.
4. To operate mechanical and electrical workshops and trade in engines and machines of all kinds and types.
5. To deal in all that is related to aerial and cinematographic and radio photography for communicating with airports and exchanging reports on atmospheric conditions, controlling cultivation and disinfecting crops from the air.
6. To purchase and sell real estate property for the purpose of achieving the objectives of the Corporation and to take and grant on lease the said real estate property.
7. To erect buildings and constructions and their appurtenances whether permanent or provisional which may be of direct or indirect benefit for the objectives of the Corporation.
8. To establish and organize institutes and schools pertaining to the practical teaching of aviation and air navigation and training the employees on activities that fall within the objectives of the Corporation with a view to create a Saudi element qualified to perform all the technical, administrative and commercial duties related to the objectives of the Corporation.

9. To organize, hold and prepare air performances, contests and exhibitions.

10. To carry out all the activities necessary to achieve the objectives for which the Corporation has been established. The Corporation may enter into association or collaboration of any kind with other corporations or organizations which carry out activities similar to its own activities or which help in the achievement of its purposes within and without the Kingdom and to merge said corporations and organizations in it.

ARTICLE III : Property of the Corporation

The property of the Corporation shall consist of the following :

1. The funds in kind presently owned by or allocated to the Saudi Arabian Airlines Corporation.
 2. The funds in kind or in cash which the General Treasury of the State may grant.
 3. The loans raised by the Corporation.
 4. The income realized by the Corporation from its objectives.
 5. The donations and contributions accepted by the Board of Directors.
- The Corporation shall deposit the Corporation's funds at the bank or banks designated by the Board of Directors.

ARTICLE IV : Management of the Corporation.

The Corporation shall be managed by a Board presided over by H.R.H. Minister of Defence and Aviation, or his nominee, and composed of nine members appointed by a resolution of the Council of Ministers on nomination by the Minister of Defence and Aviation from among those persons who have suitable qualifications, and shall include :

1. The Assistant Minister of Defence and Aviation for Civil Aviation Affairs, the Director General of the Corporation and the President of Civil Aviation.
2. Representatives of related Government units.
3. Nominees of the Minister of Defence & Aviation other than those mentioned above.

The Council of Ministers resolution shall determine the tenure of office of the members appointed by it, and the remuneration granted to them in consideration of such membership.

ARTICLE V : Powers of the Board of Directors.

The Board of Directors is the supreme authority which manages and controls the business and affairs of the Corporation, sets its general policy without regard to the administrative and financial regulations followed in ministries and other Government departments. In this respect the Board shall have, inter alia, the following powers.

1. To issue financial, administrative, technical and internal regulations and decisions, including the classification and definition of jobs.
2. To propose internal regulations relative to the appointment of the Corporation's employees and laborers, to their promotion, determination of their salaries, wages, gratuities and other benefits whether in kind or cash without regard to laws and regulations applying to government employees. The internal regulations relative to the foregoing shall be issued by the Council of Ministers. However, with regard to pensions the Corporation shall be bound to apply the Civil Pension Plan for Government Employees. As to laborers, they shall be governed by the Labor and Laborers Regulations.
3. To approve the draft budget of the Corporation which shall not be effective except after its ratification by a Royal Decree.
4. To approve the draft closing accounts of the Corporation for the purpose of having them duly ratified by the competent authority.
5. To appoint the senior employees, advisors and experts of the Corporation and determine their salaries, gratuities and powers.
6. To purchase, sell, take and grant aeroplanes on lease.
7. To enter into agreements with establishments or corporations having similar objects and to participate in international conferences and organizations which are concerned with civil or commercial aviation.

The Board may set up from among its members one or more committees and delegate to them part of its powers. It may delegate to its Chairman or to the Director General of the Corporation part of its powers and may also authorize one or more of its members to carry out specific duties.

ARTICLE VI : Meetings of the Board of Directors.

The Board of Directors shall hold its meetings at the place of business of the Corporation or in any other town specified by the Board upon call of its chairman. The meetings held by the Board shall not be less than ten each year. The meeting of the Board shall be valid only if attended by at least six Directors including the Chairman. The resolutions of the Board shall be passed by the majority vote of the members present. In case of a tie, the Chairman shall have a casting vote.

ARTICLE VII : The Director General of the Corporation.

The Director General shall be appointed for the Corporation, who shall have administrative and executive powers. His appointment shall be made by virtue of a decision from the Council of Ministers upon the nomination of the Minister of Defence and Aviation. The salary of the Director General shall be determined in the said decision.

ARTICLE VIII : Powers and Duties of the Director General.

The Director General shall have the following powers and duties :

1. To prepare the meetings of the Board of Directors.
2. To implement the resolutions adopted by the Board of Directors.
3. To supervise the employees and laborers of the Corporation.
4. To issue payment orders in respect of the disbursements of the Corporation and to delegate this authority to others.
5. To supervise the preparation of the draft general budget of the Corporation and the draft closing accounts. The internal regulations shall determine the dates for the submission of the draft budget and the draft closing accounts.
6. To carry out such activities as are assigned to him by the By-laws and internal regulations of the Corporation and the resolutions of the Board of Directors.

Subject to the provisions of the present By-laws, the Chairman of the Board of Directors shall be considered the supreme authority for the Director General.

ARTICLE IX : Representation of the Corporation by the Director General.

The Director General shall represent the Corporation in its relations with other persons and corporations and before the Courts. He shall act on its behalf in accepting grants-in-aid and contributions, in concluding and signing contracts within the limits set in these By-laws, the internal regulation of the Corporation and the resolutions of the Board of Directors.

ARTICLE X : Budget of the Corporation.

The Corporation shall have a budget independent from that of the State. The said budget shall be prepared in like manner as the commercial budgets. The Board of Directors of the Corporation shall prepare an annual balance sheet, a profit and loss account and a detailed report on the activities of the Corporation during its financial year and on its financial position at the close of the same year. The financial year of the Corporation shall be the same as that of the State.

ARTICLE XI : Auditors.

Without prejudice to the control exercised by the State Audit Office, the Board of Directors shall appoint one or more auditors from among natural persons who are duly qualified to be designated as auditors for joint-stock companies. The Board of Directors shall fix the remuneration of the auditors. Where the auditing is effected by more than one person, all the auditors shall be jointly responsible for their work toward the Corporation.

ARTICLE XII : Exemption from Stamp Duties and Income Tax.

The Corporation shall be exempted from all duties, stamps and income tax in respect of the economic activity undertaken by it within the scope of the objects set forth in Article II hereof.

ARTICLE XIII : Enforcement of the By-laws.

These By-laws shall replace and supersede any provisions contained in other By-laws and internal regulations and which are inconsistent herewith. These By-laws shall be published in the Official Gazette and shall come into force on the date of their publication.

GENERAL POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS THAT

SALDI ARABIAN AIRLINES CORPORATION, a Corporation organized and existing under the laws of Saudi Arabia with its head office in Jeddah, hereinafter called the "Corporation" has made, constituted and appointed and by these presents does make, constitute and appoint:

Mr. Talal AbdulMohsin

presently Saudia's Regional Manager - USA/NYC as its true and lawful attorney in its name, place and stead and for its use and benefit:

- 1- Register the Corporation pursuant to and in compliance with local laws.
- 2- Represent the Corporation in promotion and sale of passenger and cargo transportation over the routes of the Corporation and other airlines under interline agreement.
- 3- Commence, prosecute, answer, and defend any and all actions and legal proceedings on behalf of the Corporation as may be necessary or appropriate to protect the interests and enforce the rights of the Corporation, receive service of documents of any kind and in particular demands, applications, summons, compromise, settle and pay claims against the Corporation, as authorized under Corporation's rules and regulations, compromise, settle and collect claims of the Corporation against others; represent the Corporation before all Governmental departments and agencies, before the Courts or any Body, Arbitrator, Authority or Organization institute criminal proceedings, make complaints, pay damages, with prior written approval of the Corporation, and represent the Corporation in penal or civil proceedings; resist by any legal means, appeal, or demand and to sign on behalf of the Corporation to appear before assignee in order to confirm and realize the claim of the Corporation.

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- 4- Upon the prior approval of the Legal Department of the Corporation, empower lawyers to represent the Corporation in its name and on its behalf, with all or any part of the powers set out in this Power of Attorney.
- 5- Seek, demand, claim, collect and settle for the account and in the name of the Corporation any sums, debts, arrears, postal orders, registered letters and parcels, and all sum of money, goods, property or things whatsoever owned or belonging to the Corporation through any reason, cause or origin whatsoever by any party or parties, natural or corporate or any public or Municipal Treasurer or Cashier and to issue for the account and in the name of the Corporation its official receipts provided by existing law for delivery to it of all such money, goods and things.
- 6- Deposit funds of the Corporation for the accounts and in the name of the Corporation in any bank or banks as authorized by the Corporation.
- 7- Obtain export and import licenses of the Corporation, withdraw from customs any and all articles held for the Corporation, sign and execute all necessary papers, documents and bonds and perform all acts reasonable and necessary for that purpose.
- 8- Engage and discharge personnel with prior written approval of the Corporation in accordance with the applicable labor laws of every kind and sign the relative declarations.
- 9- With the prior written approval of the Corporation, to pay such taxes and duties as may be assessed against the Corporation and protest those which he deems to be unjust and resist the same, both judicially and administratively, which in any way affect the interest of the Corporation, to compromise and settle any matter of taxation with prior approval of the Corporation and sign all documents in that behalf he may deem expedient or necessary.

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10- Generally to do all such acts, deeds and things as are incidental or necessary to the powers given hereinabove.

The Power of Attorney is effective on and from 15th September, 1991 corresponding to the 7th R. Awwal, 1412. The previous Power of Attorney issued in favor of Mr. Nezar A. Sonbol is hereby cancelled.

The Corporation hereby ratifies and confirms all acts which the said Attorney may do within the limits of powers set out above.

Given at Jeddah
on Aug. 20, 1991

for SAUDI ARABIAN AIRLINES CORP.

By its: 
AHMED MATTAR
DIRECTOR GENERAL

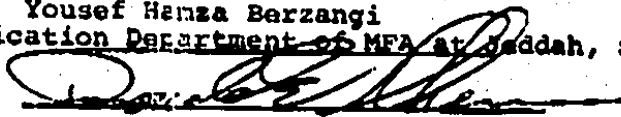
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GENERAL AUTHENTICATION CERTIFICATE

Kingdom of Saudi Arabia)
Western Province) ss:
City of Jeddah)
American Consulate General)

I certify that the official named below, whose true signature and official seal are, respectively, subscribed and affixed to the annexed document, was, on this day, empowered to act in the official capacity designated in the annexed document, to which faith and credit are due. The Consulate does not assume any responsibility for the contents of the attached document.

Yousef Hanza Barzangi
for Director of Authentication ~~Department of MFA~~ at Jeddah, Saudi Arabia



Donald E. Ahem
American Consul

September 8, 1991

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SECRETARY OF STATE
DIVISION OF CORPORATIONS
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