



Section 1: Company Incorporation

1st Article: Company Incorporation

The company was incorporated in accordance with the provisions of the Companies Law issued by Royal Decree No. M/6 on 22.03.1385 corresponding to 21.07.1965 and its regulations, a Saudi joint stock company - the provisions of which are set out below:

2nd Article: Company's Name

The name of the company is Riyadh Cement Company — (a Saudi joint stock company) hereinafter referred to as "the Company".

3rd Article: Company's purposes:

The company carries out and implements the following purposes:

1. Production of white cement in accordance with Industrial Ministerial Resolution No. 494/R dated 25.06.1414 corresponding to 10.12.1993, and the production of ordinary and resistant Portland cement.
2. Wholesale and retail trade in the company's products and building materials.
3. Incorporating or participating in the incorporation of industrial services companies for the purpose of providing maintenance and services to factories inside and outside the Kingdom.
4. Management and operation of cement factories.
5. Owning lands, real estate and patents and benefiting from them in achieving their industrial purposes inside and outside the Kingdom.
6. Incorporating or participating in the incorporation of companies that complement or complement the company's activity.
7. Trade agencies.
8. Importing and operating radioactive devices for the company's factories.
9. Maintenance and operation of residential and commercial buildings and industrial facilities.
10. Mechanical works.
11. Quarry occupation.
12. Import and export of all types of cement and its derivatives.
13. Buying and selling lands, owning real estate, erecting buildings on them, and investing them for the benefit of the company.
14. Treating industrial, agricultural and municipal waste and waste and producing alternative fuels.
15. Occupation of raw materials quarries, mining and transportation of raw and processed materials necessary in cement production
16. Opening portfolios and investment funds with banks and financial institutions.
17. Carry out all works directly or indirectly related to the above purposes.



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The company shall not practice its activities except after obtaining the statutory licenses, if any, that are required by the prevailing and enforceable regulations in the Kingdom of Saudi Arabia.

4th Article: Company's head office

The head office of the company is located in Riyadh city, and the company's board of directors may establish branches, agencies or offices for it inside or outside the Kingdom of Saudi Arabia.

5th Article: Participation or merging in other companies

The company may incorporate companies on its own (with limited liability or closed joint stock) in accordance with the Companies Law, and it may also own shares and shares in other existing companies or merge with them, and it has the right to participate with others in the establishment of joint stock or limited liability companies, after fulfilling the It is required by the regulations and instructions followed in this regard. The company may also dispose of these shares or shares, provided that this does not include mediation in their trading.

6th Article: Company's duration

The duration of the company is (99) ninety-nine Hijri years, starting from the date of the decision of the Minister of Commerce announcing the company incorporation, and it is always permissible to extend the company's duration by a decision issued by the extraordinary general assembly at least one year before the expiry of its duration.

Section 2: Capital and Shares

7th Article: Company's Capital

The company's capital is set at (300,000,000) three hundred million Saudi riyals, divided into (3,000,000) three million shares of equal value. Then the company's capital was increased to become currently (1,200,000,000) billion and two hundred million Saudi riyals, divided into (120,000,000) one hundred and twenty million shares of equal value. The nominal value of each share is (10) ten Saudi riyals, and all of them are ordinary and cash shares.





8th Article: Subscription to Shares

Shareholders subscribed to the entire capital of the company and paid, upon incorporation of the company, 25% (twenty-five percent) amounted to (75,000,000) seventy-five million Saudi riyals, which was deposited in one of the licensed banks in the Kingdom of Saudi Arabia in the name of the company under incorporation.

9th Article: Shares

The shares are nominal and indivisible against the company. If the share is owned by multiple persons, they must choose one of them to represent them in the use of the rights related to it, and these persons shall be jointly responsible for the obligations arising from the ownership of the share. Shares may not be issued for less than their nominal value, but may be issued at a higher value. In this last case, the difference in value is placed in a separate item within shareholders' equity, and it may not be distributed as dividends to shareholders.

10th Article: Share Trading

Shares shall be traded in accordance with the provisions of the Capital Market Authority Law and its Executive Regulations. A shareholder's subscription or ownership of shares indicates his acceptance of the company's law and his commitment to the decisions issued by the shareholders' assemblies in accordance with the provisions of this law, whether he is present or absent, and whether he agrees with or disagrees with the decisions.

11th Article: Issuance of Preferred Shares

The Extraordinary General Assembly may - based on the principles set by the competent authority - issue preference shares or decide to purchase them, convert ordinary shares into preferred shares, or convert preferred shares into ordinary shares. Preferred shares are not giving the right to vote in general assemblies of shareholders. These shares entitle their owners to obtain a percentage more than the ordinary shares' holders of the company's net profits after setting aside the statutory reserve. It is not permissible to issue new shares that have priority over them, except with the approval of a special assembly composed - in accordance with Article 89 of the Companies Law - of preferred shares holders who are harmed by this issuance, and with the approval of a general assembly consisting of all classes of shareholders. The company will be obligated to announce the addition of the right to issue preferred shares in a separate clause and to present it to the shareholders for their acceptance.



12th Article: Shares' Certificates

The purchased and/or subscribed shares are kept with the Saudi Stock Exchange (Tadawul) under the supervision of the Capital Market Authority, and (Tadawul) — the Securities Depository Center — provides the company with a register that includes the names of shareholders, their ID numbers, nationalities, place of residence, and the number of their shares owned by them in the company. All laws and regulations in force in the Kingdom of Saudi Arabia shall apply to the shares.

13th Article: Purchasing or Mortgaging of Shares

The company may purchase or mortgage its ordinary or preferred shares in accordance with the regulations set by the competent authority, and the shares purchased by the company shall not have votes in the shareholders' assemblies. The company may pledge its shares in accordance with the controls and procedures set by the competent authority, and the mortgagee creditor shall have the right to receive profits and use the rights related to the share, unless otherwise agreed in the mortgage contract.

14th Article: Capital Increase

- The Extraordinary General Assembly may decide to increase the capital of the company, provided that the capital has been paid in full. It is not required that the capital has been paid in full, if the unpaid part of the capital belongs to shares issued in exchange for converting debt instruments or financing instruments into shares and the period set for converting them into shares has not expired.
- The Extraordinary General Assembly may, in all cases, allocate the shares issued upon the capital increase, or part thereof, to employees of the company and its subsidiaries or some of them, or any of that. Shareholders may not exercise the right of priority when the company issues shares allocated to employees.
- The capital shall be increased by one of the following methods:
 - a. Issuance of new shares in exchange for shares in cash or in kind.
 - b. Issuance of new shares in return for the company's debts of a certain amount in case of performance, provided that the issuance is at the value decided by the extraordinary general assembly after seeking the opinion of an expert or an approved valuer, and after the board of directors and the auditor prepares a statement on the origin and amount of these debts, the members of the Board and the auditor shall sign this statement, and shall be responsible for its correctness.
 - c. Issuing new shares in the amount of the reserve that the extraordinary general assembly decides to incorporate into the capital. These shares shall be issued in the same form and conditions as the traded shares, and those shares are distributed to shareholders free of charge in proportion to the original shares owned by each of them.
 - d. Issuance of new shares in exchange for debt instruments or financing instruments.
- The shareholder who owns the share at the time of the issuance of the General Assembly resolution approving the capital increase shall have priority in subscribing to the new shares.



issued in exchange for cash shares. These shareholders shall be informed of their priority - if any - by publishing in a daily newspaper or by informing them by registered mail or any other method decided by the competent authorities about the decision to increase the capital, the terms of subscription, its duration and the date of its start and end.

15th Article: Capital Reduction

- By a decision of the Extraordinary General Assembly, the capital may be reduced if it exceeds the company's needs or if it suffers losses. In the latter case alone, the capital may be reduced below the limit stipulated in Article (fifty-fourth) of the Companies Law. The reduction decision shall not be issued except after reading a special report prepared by the auditor on the reasons for the reduction, the obligations of the company, and the effect of the reduction in these obligations.
- If the capital reduction is a result of it being more than the company's need, the creditors shall be called to express their objections to it within sixty days from the date of publishing the reduction decision in a daily newspaper distributed in the area in which the company's head office is located. If one of the creditors objects and submits his documents to the company on the aforementioned date, the company must pay him his debt if it is immediate, or provide him with a sufficient guarantee to pay it if it is deferred.
- The capital shall be decreased by one of the following methods:
 - a. Cancellation of a number of shares equal to the amount required to be reduced.
 - b. The company purchases a number of its shares equal to the amount required to be reduced, and then cancels it.
- If the capital reduction is by canceling a number of shares, equality between the shareholders must be observed, and these shareholders must submit to the company on the date specified by the shares decided to be canceled, otherwise they will be considered closed.
- If the capital reduction is by purchasing a number of the company's shares in order to cancellation, and the shareholders shall be invited to offer their shares for sale, and this invitation is to inform the shareholders by registered mail or by publishing in a daily newspaper distributed in the area where the company's head office is located indicating the company's desire to buy the shares.
- If the number of shares offered for sale exceeds the number that the company decided to purchase, sales orders must be reduced in proportion to this increase.
- The purchase price of the shares of unlisted companies is estimated at a fair price. As for the shares of listed companies, they are bought in accordance with the Capital Market Law.



16th Article: Shares issuance

1. The company may issue negotiable debt instruments or financing instruments, provided that this does not violate the provisions of Article 122 and 112 of the Companies Law, and after the issuance of the extraordinary general assembly's decision specifying the maximum number of shares that may be issued in exchange for those instruments or sukuk, whether those instruments or sukuk were issued at the same time or through a series of issues, or through one or more programs to issue debt instruments or financing instruments. The board of directors issues - without the need for a new approval from this assembly - new shares in exchange for those instruments that their holders request for their conversion, immediately after the end of the conversion request period specified for the holders of those instruments. The Board shall take what is necessary to amend this law with regard to the number of issued shares and the capital.
2. The board of directors shall declare the completion of the procedures for each capital increase in the manner specified in the law for the month of the extraordinary general assembly resolutions.
3. The company may convert debt instruments or financial instruments into shares in accordance with the Capital Market Law.

Section 3: Board of Directors

17th Article: Composition of the board of directors:

The company is managed by a board of directors consisting of seven members elected by the ordinary general assembly for a period of three years.

18th Article: Nomination for membership of the board of directors

Each shareholder has the right to nominate himself or one or more other persons for membership in the Board of Directors, within the limits of his ownership percentage in the capital.

19th Article: Conflict of Interest

1. A member of the board of directors may not have any direct or indirect interest in the business and contracts that are made for the company's account without a license from the ordinary general assembly, and in accordance with the controls set by the competent authority. A member of the board of directors shall inform the board of his direct or indirect interest in the business and contracts that are made for the company's account, and this notification shall be recorded in the minutes of the meeting. This member may not participate in voting on the resolution issued in this regard in the Board of Directors and the shareholders' assemblies. The Chairman of the Board of Directors informs the Ordinary General Assembly, when it convenes, of the business



- and contracts in which a member of the Board has a direct or indirect interest, and the notification is accompanied by a special report from the company's external auditor.
2. If a Board member fails to disclose his interest referred to in Paragraph (1) of this Article, the company or any interested party may claim before the competent judicial authority to invalidate the contract or obligate the member to pay any profit or benefit that has accrued to him from that.
 3. The responsibility for damages resulting from the business and contracts referred to in Paragraph (1) of this Article shall fall on the member with interest from the business or contract, as well as on the members of the Board of Directors. If those business or contracts are carried out in violation of the provisions of this paragraph or if they are proven to be unfair, or involve a conflict of interest and cause harm to the shareholders.
 4. The members of the board of directors who oppose the resolution are exempted from liability when they expressly express their objection in the meeting minutes. Absence from attending the meeting in which the resolution is issued is not a reason for exemption from responsibility unless it is proven that the absent member was not aware of the decision or was unable to object to it after becoming aware of it.

20th Article: Non-competition

A member of the board of directors may not take part in any business that would compete with the company, or compete with the company in one of the branches of the activity that it engages in, otherwise the company may claim the appropriate compensation before the competent judicial authority. Unless he has obtained a license from the Ordinary General Assembly, he is allowed to do so, and in accordance with the controls set by the competent authority.

21st Article: Expiry of membership

- The membership of the Board shall expire upon the expiry of its term or upon the expiry of the member's term of office in accordance with any law or instructions in force in the Kingdom of Saudi Arabia, and members whose term of membership has expired may be re-elected.
- The Ordinary General Assembly may at any time dismiss all or some of the members of the Board of Directors without prejudice to the right of the dismissed member towards the company to claim compensation if the dismissal occurred for an unacceptable reason or at an inappropriate time. A member of the board of directors may retire, provided that this is done at an appropriate time, otherwise he is liable before the company for the damages resulting from the retirement.
- If the position of a member of the board of directors becomes vacant, the board may temporarily appoint a member in the vacant position according to the order of obtaining votes, provided that he is among those who have sufficient experience. This shall be reported to the competent authorities within five working days from the date of appointment, and the appointment shall be presented to the Ordinary General Assembly in its first meeting, and the new member completes the term of his predecessor.



- If the necessary conditions for the convening of the board of directors are not met due to the fact that the number of its members is less than five, the rest of the members shall invite the ordinary general assembly to convene within sixty days to elect the necessary number of members.
- The General Assembly may, upon the recommendation of the Board, terminate the membership of a member who has been absent from three consecutive meetings of the Board without a legitimate excuse.

22nd Article: Formation of the board of directors

1. The board of directors shall appoint from among its members a chairman and a vice-chairman, and it may also appoint a managing member, and it is not permissible to combine the position of the chairman of the board and the managing member. The board of directors determines the functions of the chairman and the managing director that are not stipulated in the law and the special remuneration that each of them receives, in addition to the remuneration determined for the members of the board.
2. The board of directors appoints a secretary to be chosen by it from among its members or from others, and defines his terms of reference and remuneration.
3. The term of the chairman, his deputy, the managing director, the secretary and a member of the board of directors shall not exceed the term of their membership in the board. The Board may, at any time, dismiss them or any of them without prejudice to the right of the dismissed person to be compensated if the dismissal occurred for an unlawful reason or at an inappropriate time.
4. The Chairman of the Board of Directors represents the company before others and before all courts of all levels and types, notaries of justice, the Board of Grievances, administrative courts, commercial courts, labor courts, criminal courts, official departments, judicial and administrative bodies, judicial and quasi-judicial committees of all kinds and degrees, and labor offices, labor and zakat bodies, bank dispute settlement committees, commercial paper dispute settlement committees, primary and higher committees and bodies, primary tax zakat objections committee, tax appeal committee, customs committees of various degrees and other committees, bodies, government judicial departments and arbitration bodies, and the tasks of submitting applications in the name of the company, signing them, notifying them, delivering them and receiving them from any party, and he has the right to claim and file claims — pleading and pleading — hearing and responding to cases — acknowledgment — denial — conciliation — waiver — acquittal — requesting and rejecting the oath and refraining from it - Bringing witnesses and statements and challenging them - Answering, wounding and amending - Appealing forgery - Denying the lines, seals and signatures - Requesting a travel ban and filing it - Reviewing the detention and enforcement departments - Requesting arbitration - Appointing experts and arbitrators - Appealing the reports of experts and arbitrators, returning and replacing them — requesting for the application of Article 230 of the legal pleadings law — the request for the execution of judgments — the acceptance and denial of judgments — the objection to the judgments and the appeal request — the petition for reconsideration — the marginalization of the judgments' instruments — the request for the judge to step down — the request for insertion and interference before the Sharia courts — the administrative courts (the Board of Grievances



At the Sharia medical committees — at the labor committees — at the financial dispute settlement committees and the banking dispute settlement committees at the securities dispute settlement committees — at the commercial paper dispute settlement offices and the commercial dispute settlement committees — at the customs committees and commercial fraud committees — at the adjudication committees In insurance disputes and violations - at the Control and Anti-Corruption Authority at the Public Prosecution - at the Supreme Judicial Council - a request to set aside the judgment before the Supreme Court - at the Committee for Consideration of Violations of the Law of Practicing Health Professions - at the Committee for Consideration of Violations of the Provisions of the Health Institutions Law, inside and outside the Kingdom of Saudi Arabia. With regard to industrial licenses, in obtaining licenses — renewal of licenses — modifying licenses — adding activity — booking names — canceling licenses — subscribing to the Chamber of Commerce — renewing subscription to the Chamber of Commerce — opening branches — transferring licenses — reviewing social insurance — reviewing civil defense — reviewing the General Assembly for zakat and income, and has the right to receive and hand over all of the foregoing, review all relevant authorities, finish all necessary procedures and sign what requires that, and he has the right to delegate all or some of the powers to others, and his agents have the right to delegate others while granting them this right.

- 5. The Vice Chairman of the Board of Directors acting on behalf the Chairman of the Board of Directors in his absence.*
- 6. In the event that a managing director is appointed for the company, he shall delegate the powers of the chairman of the board of directors according to the fourth paragraph of this article (except for judicial powers), and the board of directors shall be authorized to determine the remuneration of the managing director.*
- 7. The Board of Directors or forms a number of committees to be appointed according to the needs of the company and according to its circumstances to carry out specific tasks.*
- 8. The Board of Directors meets at least four times a year at the invitation of its chairman in accordance with the conditions stipulated in this bylaw. In all cases, the chairman of the board shall call for a meeting whenever two of the members ask him to do so.*

23rd Article: Powers of the board of directors

- 1. Taking into account the competencies established for the General Assembly, the Board of Directors shall have the widest powers in managing the company in order to achieve its purposes, and the Board may also - within the limits of its competence - delegate one or more of its members or third parties to carry out certain work or businesses.*
- 2. Setting the company's main plans, policies, strategies and objectives, supervising their implementation and reviewing them periodically, and ensuring the availability of the necessary human and financial resources to achieve them, including: Developing the company's comprehensive strategy, main work plans, and risk management policies and procedures, reviewing and directing them. Determining the optimal capital structure for the company, its strategies and financial objectives, and approving all kinds of discretionary budgets. Overseeing the main capital expenditures of the company, and owning and disposing of assets. Setting*



performance objectives and monitoring implementation and overall performance in the company.
Periodic review and approval of the organizational and functional structures in the company.
Verify the availability of the human and financial resources necessary to achieve the company's objectives and main plans. Establishing laws and controls for internal control and general supervision over them, including:

- a. Develop a written policy to address actual and potential conflict of interest cases for each of the Board members, executive management and shareholders, including misuse of the company's assets and facilities, and misconduct resulting from transactions with related parties.
 - b. Ensure the integrity of the financial and accounting laws, including those related to the preparation of financial reports.
 - c. Ensuring the application of appropriate control laws to measure and manage risks, by developing a general perception of the risks that the company may face, creating an environment familiar with the culture of risk management at the company level, and presenting it transparently with stakeholders and related parties to the company.
 - d. Annual review of the effectiveness of the company's internal control procedures.
 - e. Preparing clear and specific policies, standards and procedures for membership in the Board of Directors in a manner that does not conflict with the mandatory provisions in these regulations of the Capital Market Authority, and put them into practice after approval by the General Assembly.
 - f. Develop a written policy that regulates the relationship with stakeholders in accordance with the provisions of this regulation, and set policies and procedures that ensure the company's compliance with the rules and regulations and its commitment to disclosing material information to shareholders and stakeholders, and verifying compliance by the executive management with them.
 - g. Overseeing the company's financial management, its cash flows, and its financial and credit relations with others.
3. Suggesting to the extraordinary general assembly what it deems appropriate regarding the following:
- a. Increase or decrease the company's capital.
 - b. Dissolving the company before the term set in the company's articles of association or deciding its continuation.
4. Suggesting to the Ordinary General Assembly what it deems appropriate regarding the following:
- a. The use of the consensual (optional) reserve of the company in the event that it was formed by the extraordinary general assembly and was not allocated for a specific purpose.
 - b. Creating additional reserves or financial allocations for the company.
 - c. How to distribute the company's net profits.
5. Reviewing and approving the company's initial and annual financial statements before publication, preparing and approving the Board of Directors' report before its publication, ensuring the accuracy and integrity of the data and information to be disclosed, in accordance with the applicable disclosure and transparency policies and laws. Establishing effective communication channels that allow shareholders to see continuously and periodically the various aspects of the company's activities and any material developments.



6. Forming specialized committees emanating from it by decisions specifying the duration of the committee, its powers and responsibilities, and how the council will monitor it, provided that the decision to form includes naming the members and specifying their tasks, rights and duties, with an evaluation of the performance and work of these committees and their members. Determining the types of remunerations granted to the company's employees, such as fixed bonuses, performance-related bonuses, and bonuses in the form of shares, in a manner that does not conflict with the regulatory controls and procedures issued in implementation of the Companies Law for Listed Joint Stock Companies.
7. Setting the values and standards that govern work in the company, and has the right to appoint employees and workers, dismiss them, request visas, bring labor from outside the Kingdom of Saudi Arabia, contract with them, determine their salaries, issue residencies, transfer and waive guarantees. The board has the right to dispose of the company's assets, property and real estate, and has the right to purchase, accept it, pay the price, mortgage, release the mortgage, sell, empty, receive the price, hand over the appraiser, receive the checks, and request the issuance of a replacement for it, subject to the following conditions: (A) That the Board specify in the sale decision the reasons and justifications for it. (B) That the sale is close to the same price. (C) That the sale is present, except in cases decided by the Board and with sufficient guarantees. (D) That such behavior does not result in the suspension of some of the company's activities or the imposition of other obligations on it.
8. The Board of Directors may also have the right of compromise, assignment, contract, commitment and association in the name and on behalf of the company. The Board of Directors may also carry out all acts and actions that would achieve the objectives of the company.
9. The board of directors may contract loans, regardless of their term, and the board of directors may also contract loans with government finance funds and institutions, regardless of their term, and commercial loans whose terms do not exceed the end of the company's term, or sell or mortgage the company's assets, or selling or mortgaging the company's commercial premises, or concluding the liability of the company's debtors from their obligations.

24th Article: Board Members Remuneration

- The remuneration of the members of the Board of Directors consists of a certain amount, attendance allowance for sessions, benefits in kind, or a certain percentage of net profits, and two or more of these benefits may be combined. If the reward is a certain percentage of the company's profits, then this percentage may not exceed (10%) of the net profits, after deducting the precautions decided by the General Assembly in application of the provisions of the Companies Law and the Company's Articles of Association, and after distributing a profit to shareholders of no less than (95) of the company's paid-up capital, provided that the entitlement to this reward is proportional to the number of sessions attended by the member.
- In all cases, the sum of the remunerations and financial or in-kind benefits that a member of the Board of Directors receives shall not exceed five hundred thousand riyals annually, in accordance with the regulations set by the competent authority.



- The report of the Board of Directors to the Ordinary General Assembly must include a comprehensive statement of all the bonuses, expenses allowances and other benefits that the members of the Board of Directors received during the financial year. It shall also include a statement of what the board members received in their capacity as workers or administrators, or what they received in return for technical or administrative work or consultancy. It shall also include a statement of the number of council sessions and the number of sessions attended by each member from the date of the last meeting of the general assembly.
- The General Assembly may, upon the recommendation of the Board, terminate the membership of a member who has been absent from three consecutive meetings of the Board without a legitimate excuse.
- The members of the Board of Directors may not vote on the remuneration of the members of the Board of Directors at the meeting of the General Assembly.

25th Article: Attending meetings

- The meeting of the Board shall not be valid unless attended by at least four members, provided that the number of those present shall not be less than three.
- A member of the Board of Directors may not delegate another person to attend the meeting on his behalf, and as an exception to this, a member of the Board of Directors may delegate other members on his behalf.
- The decisions of the Council are issued by a majority of the opinions of the members present or represented therein, and when the opinions are equal, the side with which the chairperson voted shall prevail.
- Board meetings can take place using modern technologies, and the company's management determines the method of the meeting and documents the meeting.
- The Board of Directors may pass resolutions by presenting them to all members unless one of the members requests in writing the Board meeting to deliberate on it.

26th Article: Recording minutes of meetings

The deliberations and decisions of the Board of Directors shall be recorded in minutes signed by the chairman of the meeting, the members of the Board of Directors present and the Secretary. These minutes shall be recorded in a special register signed by the Chairman of the Board of Directors and the Secretary.



Section 4: General Assemblies

27th Article: Venue of the general assemblies

A properly constituted General Assembly represents all shareholders, and is held in the city of Riyadh.

28th Article: Presiding over meetings of assemblies

- 1. The meetings of the general assemblies of shareholders are chaired by the chairman of the board of directors or his deputy in his absence, or whoever is delegated by the board of directors from among its members for that in the absence of the chairman and his deputy.*
- 2. Each shareholder has the right to attend the general assembly of shareholders, and for this he may delegate someone other than the members of the board of directors or the company's employees to attend the general assembly on his behalf.*
- 3. It is permissible to hold meetings of the general assemblies of shareholders, and the shareholder can participate in their deliberations and vote on their decisions by means of modern technology, according to the controls set by the competent authority.*

29th Article: Assemblies Terms of Reference

- a. With the exception of the matters pertaining to the extraordinary general assembly, the ordinary general assembly shall be concerned with all matters relating to the company. It convenes at least once a year during the six months following the end of the company's financial year. Other ordinary assemblies may also be called whenever the need arises. If the resolution of the Ordinary General Assembly amends the rights of a particular class of shareholders, then the said resolution shall not be effective unless it is ratified by those shareholders who have the right to vote from those shareholders meeting in their own assembly in accordance with the provisions prescribed for the Extraordinary General Assembly.*
- b. The Extraordinary General Assembly is responsible for amending the company's articles of association, except for the following matters:*
 - 1. Depriving the shareholder or modifying any of his basic rights that he derives as a partner, especially the following:*
 - Obtaining a share of the profits to be distributed, whether the distribution is in cash or through the issuance of free shares to non-workers of the company and its subsidiaries.*
 - Obtaining a share of the company's assets upon liquidation.*
 - Attending public or private shareholder assemblies, participating in their deliberations, and voting on their resolution.*
 - Dispose of his shares in accordance with the provisions of the law.*



- Requesting access to the company's books and documents, monitoring the work of the board of directors, filing a liability claim against members of the board of directors, and appealing the invalidity of the decisions of the general and private shareholders' assemblies.
- Priority for subscribing to new shares issued in exchange for cash shares.
- 2. Amendments that increase the financial burdens of the shareholders, unless all shareholders agree to that.
- 3. Moving the company's head office outside the Kingdom of Saudi Arabia.
- 4. Change the nationality of the company.

The Extraordinary General Assembly is also competent to consider the extension or shortening of the company's term and its dissolution before the expiry of its term for any reason. In addition, it may issue resolutions on matters within the competence of the ordinary general assembly, under the same terms and conditions prescribed for the regular general assembly.

30th Article: Invitation to Convening Assemblies Meetings

1. Shareholders' general or special assemblies are held at the invitation of the board of directors, in accordance with the conditions stipulated in the company's articles of association. The Board of Directors shall invite the Ordinary General Assembly to convene if requested by the auditor, the audit committee, or a number of shareholders representing at least (5%) of the capital. The auditor may invite the assembly to convene if the board does not invite the assembly within thirty days from the date of the auditor's request.
2. Under a decision from the competent authority, the General Assembly may be convened in the following cases:
 - a. If the period specified for the meeting stipulated in this law lapses without it being held.
 - b. If the number of members of the board of directors is less than the minimum for the validity of its convening, taking into account the provisions of Article (sixty-nine) of the Companies Law.
 - c. The General Assembly may, upon the recommendation of the Board, terminate the membership of a member who has been absent from three consecutive meetings of the Board without a legitimate excuse.
 - d. If it is found that there are violations of the provisions of the law or the company's articles of association, or a defect in the company management.
 - e. If the board does not call the general assembly to convene within fifteen days from the auditor's request date, the audit committee, or a number of shareholders representing (2%) of the capital at least.
3. A number of shareholders representing (2%) may submit a request to the competent authority to invite the ordinary general assembly to convene if any of the cases stipulated in paragraph (2%) of this article are available.



31st Article: Notification of the convening of the assemblies

The invitation to convene the general assembly and the agenda shall be published in a daily newspaper distributed in the area in which the company's head office is located, at least (twenty-one) days prior to the date set for the meeting. Nevertheless, it may be sufficient to send the invitation on the aforementioned date to all shareholders by registered letters. A copy of the invitation and the agenda shall be sent to the Ministry, as well as a copy to the Authority if the company is listed on the capital market, within the period specified for publication.

32nd Article: Shareholder statement

- Shareholders who wish to attend the general or special assembly shall register their names at the company's head office before the time specified for the assembly, unless the company's articles of association provide for another place and method.
- At the meeting of the assembly, a list shall be drawn up of the names of the shareholders present and represented, indicating the number of shares they hold in person or by proxy, and the number of votes allocated to them.

33rd Article: Quorum of Convening of the Extraordinary Assembly

1. The extraordinary general assembly meeting shall not be valid unless attended by shareholders representing at least half of the capital.
2. If the quorum necessary to hold the extraordinary general assembly meeting in accordance with Paragraph (1) of this Article is not available, an invitation is sent to a second meeting to be held in the same conditions stipulated in Article (31) of this Bylaw.
3. However, the second meeting may be held an hour after the end of the period specified for the first meeting, provided that the invitation to hold the first meeting includes an announcement of the possibility of holding this meeting. In all cases, the second meeting shall be valid regardless of the number of shares represented therein.
4. Resolutions of the Ordinary General Assembly shall be issued by an absolute majority of the shares represented at the meeting.

34th Article: Correctness of Convening of the Extraordinary Assembly

1. The extraordinary general assembly meeting shall not be valid unless attended by shareholders representing at least half of the capital.
2. If the quorum necessary to hold the extraordinary general assembly meeting in accordance with Paragraph (1) of this Article is not available, an invitation is sent to a second meeting to be held in the same conditions stipulated in Article (31) of this Bylaw. However, the second meeting may be held an hour after the end of the period specified for convening the first meeting, provided that the invitation to hold the first meeting includes an announcement of the possibility of holding this



- meeting. In all cases, the second meeting shall be valid if attended by a number of shareholders representing at least a quarter of the capital.
3. If the necessary quorum is not available at the second meeting, an invitation is sent to a third meeting to be held in the same conditions stipulated in Article (31) of this bylaw, and the third meeting shall be valid regardless of the number of shares represented therein, after the approval of the competent authority.
 4. The decisions of the Extraordinary General Assembly are issued by a two-thirds majority of the shares represented in the meeting, unless it is a decision related to an increase or decrease in the capital, an extension of the company's term, its dissolution before the expiry of the period specified in this bylaw, or its merger with another company, then it is not valid unless it is issued by a three-quarter majority shares represented at the meeting.
 5. In accordance with the provisions of Article (sixty-fifth) of the Companies Law, the Board of Directors publishes the decisions of the extraordinary assembly if they include amending the company's articles of association.

35th Article: Vote on Decisions

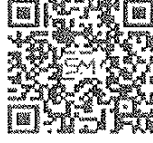
1. The votes in the ordinary and extraordinary general assemblies are calculated on the basis of one vote per share. Cumulative voting shall be used in electing the Board of Directors, and the right to vote per share may not be used more than once.
2. The members of the Board of Directors may not participate in voting on the decisions of the Assembly related to their discharge from their management or related to interests related to them.

36th Article: Shareholder's right to discuss the agenda

Each shareholder has the right to discuss the topics listed on the assembly's agenda and to direct questions in this regard to the members of the board of directors and the auditor. The board of directors or the auditor shall answer the shareholders' questions to the extent that the interest of the company is not harmed. If the shareholder finds that the answer to his question is not convincing, he shall appeal to the assembly, and its decision in this regard shall be enforceable.

37th Article: Drafting of the minutes of the general assembly meeting

Minutes of the assembly meeting shall be drawn up including the number of shareholders present or represented, the number of shares they hold in person or by proxy, the number of votes assigned to them, the decisions taken, the number of votes approving or disapproving of them, and an adequate summary of the discussions that took place at the meeting. Minutes are recorded on a regular basis after each meeting in a special register signed by the association's president, secretary and vote collector.



Section 5: Audit Committee

38th Article: Audit Committee formation

By a decision of the Ordinary General Assembly, a review committee shall be formed from non-executive members of the Board of Directors, whether shareholders or others, provided that the number of its members is not less than three and not more than five. The decision shall specify the tasks of the committee, its work controls, and the remuneration of its members.

39th Article: Audit Committee meeting

For a meeting of the Audit Committee to be valid, the attendance of the majority of its members is required, and its decisions are issued by the majority of the votes of those present.

40th Article: Audit Committee Terms of Reference

- The Audit Committee is responsible for monitoring the company's business, and for this purpose it has the right to review its records and documents and to request any clarification or statement from the members of the Board of Directors or the Executive Management. It may request the board of directors to invite the company's general assembly to convene if the board of directors obstructs its work or the company suffers serious damage or losses.
- The Audit Committee shall consider the company's financial statements, reports and notes provided by the auditor, and express its views on them, if any. It shall also prepare a report on its opinion regarding the adequacy of the company's internal control law and the other work it has undertaken within its jurisdiction. The board of directors shall deposit sufficient copies of this report at the company's head office at least (21 days) before the date of the general assembly meeting, to provide each of the shareholders who wish with a copy of it, and the report shall be read during the assembly.



Section 6: Auditor

41st Article: Appointment of Auditor

The company shall have an auditor (or more) from among the auditors licensed to work in the Kingdom, to be appointed by the ordinary general assembly, and to determine his remuneration and term of work, and it may reappoint him, provided that the total period of his appointment does not exceed the period specified by the regulations of the competent official authorities. The assembly may also at any time change it without prejudice to his right to compensation if the change occurred at an inappropriate time or for an illegal reason.

42nd Article: Auditor's powers

The auditor at any time has the right to review the company's books, records and other documents, and he also has the right to request data and clarifications that he deems necessary to obtain, in order to verify the company's assets and obligations and other things that fall within the scope of his work. The Chairman of the Board of Directors shall enable him to perform his duty, and if the auditor encounters difficulty in this regard, he shall prove this in a report submitted to the Board of Directors.

43rd Article: Auditor's duties

The auditor shall submit to the annual ordinary general assembly a report prepared in accordance with the generally accepted auditing standards, which is guaranteed by the company's management position to enable him to obtain the data and clarifications he requested, and what violations he may have found of the law provisions or the provisions of the company's articles of association, and his opinion on the extent of fairness the company's financial statements. The auditor shall read out his report in the General Assembly. If the assembly decides to ratify the report of the board of directors and the financial statements without listening to the auditor's report, its decision shall be void.

44th Article: Auditor's Maintaining of Company's Confidential Information

If the auditor discloses to the shareholders in a meeting other than the general assembly or to a third party the company's secrets that have come upon him due to the performance of his work, he shall be dismissed in addition to his claim for compensation. The auditor shall be responsible for compensating the harm that befalls the company, shareholders or third parties due to errors committed by him in the performance of his work. If there are multiple auditors and they share in the error, they are jointly liable.



Section 7: Company's Accounts and Dividends

45th Article: Company's Fiscal Year

The company's fiscal year begins on the 1st of January and ends at the 31st of December of each Gregorian year.

46th Article: The company's annual financial statements

1. At the end of each financial year of the company, the board of directors prepares the company's financial statements and a report on its activities and financial position for the past financial year. This report includes the proposed method for distributing profits. The Board shall place these documents at the disposal of the auditor at least forty-five days before the date set for convening the General Assembly.
2. The company's board of directors, chief executive officer and financial manager must sign the aforementioned documents, and copies of them shall be deposited at the company's head office at the shareholders' disposal at least (twenty-one) days prior to the date set for convening the general assembly.
3. The Chairman of the Board of Directors publishes the company's financial statements, the Board of Directors' report and the auditor's report in a newspaper distributed in the country in which the company's head office is located, and also sends a copy of these documents to the Ministry of Commerce, at least fifteen days before the general assembly is held.
4. The classification of the financial statements for each fiscal year is taken into account, the classification used in previous years, and the bases for evaluating assets and liabilities remain fixed, without prejudice to the generally accepted accounting standards.
5. The Board of Directors shall, within thirty days from the date of the Assembly's approval of the financial statements, the Board of Directors' report, the auditor's report, and the Audit Committee's report, deposit copies of the aforementioned documents with the Ministry of Commerce and the Capital Market Authority.

47th Article: Statutory Reserve

- Annually (10%) of the net profit is set aside to form the company's statutory reserve. The Ordinary General Assembly may decide to discontinue this deduction when the said reserve reaches (30%) of the paid-up capital. A certain percentage of the net profits may be set aside to form a consensual reserve to be allocated for specific purposes, as decided by the ordinary general assembly of shareholders.
- The Ordinary General Assembly, when determining the share of shares in the net profits, may decide to form other reserves, to the extent that achieves the interest of the company or ensures the distribution of fixed profits as much as possible to the shareholders. The aforementioned Ordinary General Assembly may also deduct amounts from the net profits to establish social institutions for the company's employees or to assist the existing ones of these institutions.



- The statutory reserve is used to cover the company's losses, or to increase the capital. If this reserve exceeds (30%) of the paid-up capital, the ordinary general assembly may decide to distribute the increase to shareholders in the years in which the company does not achieve net profits sufficient to distribute the share determined for them in the company's articles of association.
- The consensual reserve may not be used except by a decision of the extraordinary general assembly. If this reserve is not earmarked for a specific purpose, the ordinary assembly may, based on a proposal by the Board of Directors, decide to spend it for the benefit of the company or the shareholders.
- The Ordinary General Assembly may use the retained earnings and statutory distributable reserves to pay the remaining amount of the share or part of it, provided that this does not prejudice equality among shareholders.



48th Article: Shareholder Dividend

The company's annual net profits are distributed to the shareholders after setting aside the statutory and other reserves as follows:

- The shareholder is entitled to his share of the profits in accordance with the decision of the General Assembly issued in this regard, and the decision indicates the date of entitlement. The eligibility for profits is for the owners of shares registered in the shareholders' records at the end of the day specified for entitlement, and the board of directors must implement the decision of the general assembly regarding the distribution of profits to registered shareholders within (15 days) from the date of entitlement of these profits specified in the resolution of the general assembly or in the decision of the board of directors. To distribute interim dividends. The decision shall indicate the due date and distribution date.
- Of the remainder, a percentage representing (5%) five percent of the paid-up capital shall be distributed to the shareholders. If the remaining profits are less than the value of the mentioned percentage, it may not be claimed from the profits of the following years.
- (10%) ten percent of the remainder shall be allocated to the remuneration of the Board of Directors stipulated in the first paragraph of Article (76) of the Companies Law. The rest is then distributed to the shareholders as an additional share of the profits, or it is carried over to the coming years as approved by the General Assembly.

Section 8: Disputes

49th Article: Shareholders' claims & lawsuits

Each shareholder has the right to file a liability lawsuit for the company against the members of the board of directors if the mistake made by them would cause him special damage. A shareholder may not file the aforementioned lawsuit unless the company's right to file it still exists. The shareholder shall inform the company.



Section 9: Dissolution and liquidation of the company

50th Article: Company termination

If all the company's shares are transferred to one shareholder who does not meet the conditions for establishing a joint stock company from one person, the company will remain solely responsible for its debts and obligations. However, this shareholder must reconcile the company's situation with the provisions contained in the Companies Law, or transform it into a limited liability company of one person within a period not exceeding one year, otherwise the company will be dissolved by the force of the law.

51st Article: Invitation to the general assembly to terminate the company

1. If the company's losses amount to half of the paid-up capital, at any time during the fiscal year, any official in the company or the auditor must immediately inform the Chairman of the Board of Directors, and the Chairman of the Board of Directors must immediately inform the members of the Board of that. The board of directors shall, within fifteen days of becoming aware of this, invite the extraordinary general assembly to meet within forty-five days from the date of his knowledge of the losses in order to decide whether to increase or decrease the company's capital, in accordance with the provisions of the law. This is to the extent that the percentage of losses decreases to less than half of the paid-up capital, or the company is dissolved before the term specified in this law.
2. The company is considered dissolved by the force of law if the extraordinary general assembly did not meet within the period specified in this article, or if it met and was unable to issue a decision on the matter, or if it decided to increase the capital in accordance with the conditions established in this article, and the subscription for all the capital increase was not completed. Within ninety days from the issuance of the Assembly's decision to increase.

52nd Article: Expiration of Company's Term

Upon the expiration of the company's term or in the event of its dissolution before its fixed term, the ordinary general assembly, based on the proposal of the Board of Directors, decides the method of liquidation, appoints one or more liquidators, and determines their powers and fees. The authority of the board of directors ends with the expiration of the company, however, the board continues to operate the company until the liquidator is appointed, and the company's other organs remain their competencies to the extent that they do not conflict with the powers of the liquidators.



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Section 10: General Provisions

53rd Article:

The Companies Law and its regulations issued by the Ministry of Commerce and the Corporate Governance Regulations issued by the Board of the Capital Market Authority shall be applied in everything that is not provided for in this Regulation.

54th Article: Publication of the Company's Articles of Association

This system shall be deposited and published in accordance with the Companies Law and its regulations.

