

# SAUDI ADVANCED INDUSTRIES COMPANY

## Old and Updated Bylaws

Before Amendment	After Amendment
<p><u>Article (1) Incorporation:</u> In accordance with the Companies Law and its Regulations, it is hereby established a Saudi joint stock company under the following terms and conditions:</p>	<p><u>Article (1) Incorporation:</u> In accordance with the Companies Law and its Regulations, it is hereby established a Saudi listed joint stock company under the following terms and conditions:</p>
<p><u>Article (2) Name of the Company::</u> Saudi Advanced Industries Company (SAIC) (Saudi Joint-Stock Company).</p>	<p><u>Article (2) Name of the Company::</u> Saudi Advanced Industries Company (SAIC) (Saudi Listed Joint-Stock Company).</p>
<p><u>Article (3) Objects of the Company:</u> The objects for which the Company has been established are:</p> <ol style="list-style-type: none"> <li>1. Investment in the petrochemical industries sector, the glass industries sector, the industrial services sector, the services sector, and financial investments sector.</li> <li>2. Investment in the education, healthcare, food industries, telecommunications, information technology, tablet and smartphone applications, artificial intelligence technologies, clean energy and related industries sector; investment in patents and military and civilian concession rights; investment in venture capital and hedge funds; and investment in energy services and fuel supply sector.</li> <li>3. Buying and selling of securities.</li> <li>4. Owning real estate, establishing buildings and warehouses necessary for storing industrial project products and exhibitions necessary for displaying them and for other aspects that need to be used to achieve its purposes.</li> <li>5. Transferring advanced industrial technology to the Kingdom of Saudi Arabia in particular and to the Arab region in general through participation in the economic balance program and other industrial projects.</li> </ol>	<p><u>Article (3) Objects of the Company:</u> The objects for which the Company has been established are:</p> <ol style="list-style-type: none"> <li>1. Managing its subsidiaries, or participate in the management of other companies in which it contributes and provide the necessary support for them.</li> <li>2. Investment in the petrochemical industries sector, the glass industries sector, the industrial services sector, the services sector, and financial investments. Investment in the education, healthcare, food industries, telecommunications, information technology, tablet and smartphone applications, artificial intelligence technologies, clean energy and related industries sector; investment in patents and military and civilian concession rights; investment in venture capital and hedge funds; and investment in energy services and fuel supply, and investment in the transportation and logistics services sector, and investment in the tourism and culture sector, and investment in the media and entertainment sector, and investment in the sports sector, and investment in the public utilities sector, and investment in the basic materials sector, and investment in the capital goods sector, and investment in commercial and professional services, and investment in the consumer services sector.</li> </ol>

6. Contributing to expanding the Kingdom's export base by exporting the Kingdom's manufactured products to other countries..
  7. Contributing to diversifying the sources of national income by developing major industries by taking advantage of the relative advantages available in the Kingdom.
  8. Achieving a higher degree of self-sufficiency and contributing to raising the degree of economic independence in the fields of consumption, production and industrial technical services.
  9. . Contributing to highlighting, affirming, establishing and developing the inherent capabilities of the Kingdom of Saudi Arabia, achieving integration between the productive sectors and localizing them, working to reduce their dependence on the import sector.
  10. Strengthening industrial and technical cooperation between the Gulf Cooperation Council countries and with Arab countries in general.
  11. Achieving the highest possible returns on the economic resources it invests, so that it contributes to achieving positive national income development and an adequate return on invested capital.
  12. Establishing advanced industries in the fields of electronic, engineering, mechanical, and complementary industries, providing technical and consulting support and services to these industries to confirm their success and ensure the continuity of their technical development.
  13. Establishing companies of various forms to implement its industrial or service projects and assist in their implementation or management.
3. Investing its money in stocks and other securities.
  4. Owning real estate, establishing buildings and warehouses necessary for storing industrial project products and exhibitions necessary for displaying them and for other aspects that need to be used to achieve its purposes.
  5. Establishing advanced industries in the fields of electronic, engineering, mechanical, and complementary industries, providing technical and consulting support and services to these industries to confirm their success and ensure the continuity of their technical development.
  6. Establishing companies of various forms to implement its industrial or service projects and assist in their implementation or management.
  7. Managing factories and developing self-capabilities for industrial management to serve the national industrial sector in general.
  8. Acquiring industrial technology through purchasing and through cooperation with its owners or developers.
  9. Any other legitimate purpose agree with the nature of the Company.
- The Company may not carry out its activities under the applicable laws unless after obtaining the required licenses from the relevant authorities, if any.

14. Managing factories and developing self-capabilities for industrial management to serve the national industrial sector in general.
  15. Acquiring industrial technology through purchasing and through cooperation with its owners or developers.
  16. Establishing industrial maintenance and industrial inspection capability development projects to serve the company's industrial projects and industrial projects in the Arab region.
  17. Developing the industries of spare parts, components, machinery and capital equipment production.
  18. Developing industrial technology independently in possible areas by strengthening research and development capabilities, encouraging innovation and invention talents, and establishing specialized research and development laboratories.
  19. Establishing complementary industries horizontally or vertically for its industry or other local industries through participation and contribution with other companies, institutions, individuals or alone.
  20. Developing local raw material sources alone or in cooperation with different production sectors
  21. Cooperating with the local commercial sector, working to meet its requirements, and supporting its activity to serve local markets and gain foreign markets.
- The Company may not carry out its activities under the applicable laws unless after obtaining the required licenses from the relevant authorities, if any.

<p><u>Article (4) Participation and Ownership in Companies</u> The Company may establish, by itself, other limited liability or closed joint stock companies, provided that their capital is no less than five (5) million Saudi riyals. The Company may own stocks and shares in other existing companies or merge therewith. The Company may participate with others to establish joint stock or limited liability companies after fulfilling the requirements of the laws and instructions followed in this regard. The Company may also dispose of these stocks or shares, provided that this does not include acting as a broker in trading such stocks or shares.</p>	<p><u>Article (4) Participation and Ownership in Companies</u> The Company may establish, by itself or jointly with others, other limited liability or closed joint stock companies, provided that their capital is no less than five (5) million Saudi riyals. The Company may own stocks and shares in other existing companies or merge therewith. The Company may participate with others to establish joint stock or limited liability companies after fulfilling the requirements of the laws and instructions followed in this regard. The Company may also dispose of these stocks or shares.</p>
<p><u>Article (5) Head Office of the Company:</u> The Company's head office is located in Riyadh, Kingdom of Saudi Arabia. The Company may open branches, offices or agencies inside or outside KSA under a resolution issued by its BoDs.</p>	<p><u>Article (5) Head Office of the Company:</u> The Company's head office is located in Riyadh, Kingdom of Saudi Arabia. The Company may open branches, offices or agencies inside or outside KSA under a resolution issued by its BoDs.</p>
<p><u>Article (6) Duration of the Company:</u> The Company's term is ninety-nine (99) Gregorian years starting from the date of entry in the Commercial Register. Such period may be extended by a resolution issued by the Extraordinary General Assembly taken at least one year prior to the end of the Company's term.</p>	<p><u>Article (6) Duration of the Company:</u> The Company's term is ninety-nine (99) Gregorian years starting from the date of entry in the Commercial Register. Such period may be extended by a resolution issued by the Extraordinary General Assembly taken at least one year prior to the end of the Company's term.</p>
<p><u>Article (7) Capital:</u> The Capital of the Company shall be (SR 600.000.000) Six Hundred Million Saudi Riyal, divided into one 60.000.000 shares, all of which are of equal value and the nominal value of each is Ten (10) Riyals. All the shares are ordinary cash shares.</p>	<p><u>Article (7) Capital:</u> The Capital of the Company shall be (SR 600.000.000) Six Hundred Million Saudi Riyal, divided into one 60.000.000 shares, all of which are of equal value and the nominal value of each is Ten (10) Riyals. All the shares are ordinary cash shares.</p>
<p><u>Article (8) Subscription to Shares</u></p>	<p><u>Article (8) Subscription to or ownership of shares:</u></p>

The shareholders have subscribed to the entire capital shares of the Company, which is 60.000.000 fully paid shares.

Subscription to or ownership of shares indicates the shareholder's acceptance of the Company's Articles of Association and his commitment to the resolutions issued by the General Assembly in accordance with the provisions of the Companies Law and the Company's Articles of Association, whether he was present or absent, and whether he agreed to the resolutions or opposed them. The shareholders have subscribed to the entire capital shares of the Company, which is 60.000.000 fully paid shares.

Article (9) Preferred Shares:

The Extraordinary General Assembly may, under the requirements set by the competent authorities, issue preferred shares, decide to purchase such shares, convert the ordinary shares into preferred shares and convert preferred shares into ordinary shares in accordance with the Islamic Shariah Provisions. Preferred shares shall have no voting rights at the Shareholder General Assemblies. Such shares will entitle their holders to receive a higher percentage of the Company's net profits than ordinary shares holders after setting aside statutory reserve.

Article (9) Types of Shares:

The Company may issue different classes of shares, convert or purchase them according to the relevant regulations, and grant, revoke some rights or privileges or impose restrictions on some of these classes in accordance with the relevant regulations.

Article (10) Bonds and Sukuk:

The Company may issue any kind of the indivisible negotiable debt instruments such as bonds or sukuk either in one or several parts or through a series of issues under one or more programs established by the Company from time to time, for public offering or otherwise, and whether inside or outside Saudi Arabia, at the times, amounts and conditions approved by the Board of Directors, which shall have the right to take all necessary procedures for issuance in accordance with the Islamic Shariah. .

Article (10) Bonds and Sukuk:

The Company may issue any type of tradable debt instruments such as **finance** bonds or Sukuk, whether in one part or several parts, or through a series of issues, or under one or more programs established by the Company from time to time, whether for public subscription or otherwise, inside or outside the Kingdom of Saudi Arabia, **in accordance with the controls set by the competent authorities. The issuance of debt instruments or Sukuk convertible into shares requires a resolution of the Extraordinary General Assembly specifying the maximum number of shares**

	<p><b>that may be issued in exchange for those instruments or Sukuk</b>, at the times, amounts and conditions approved by the Board of Directors, which shall have the right to take all necessary procedures for issuance in accordance with the Islamic Shariah.</p>
<p><u>Article (11) Call On Shares:</u> A shareholder shall pay the value of a share at the specified dates. If a shareholder fails to pay on the due date, the Board may, after notifying such shareholder by registered mail sent to their address as recorded in the shareholder register, sell such share in a public auction or in the capital market, as the case may be, in accordance with the rules set by the competent authority. The Company shall receive the amounts due thereto from the sale proceeds and shall return any remaining amount to the shareholder. If the sale proceeds are insufficient to cover these amounts, the Company may satisfy such amounts from the shareholder. However, the shareholder in default up to the sale date may pay the due amount, in addition to any expenses incurred by the Company. The Company shall cancel the sold share according to the provisions of this Article, and shall give the purchaser a new share bearing the number of the canceled share, shall indicate in the shareholder register that the sale has taken place and shall mention the name of the new shareholder.</p>	<p><u>Article (11) Call On Shares:</u> A shareholder shall pay the value of a share at the specified dates. If a shareholder fails to pay on the due date, the Board may, after notifying such shareholder by registered mail sent to their address as recorded in the shareholder register <b>or any of the modern technology means</b>, sell such share in a public auction or in the capital market, as the case may be, in accordance with the rules set by the competent authority. The Company shall receive the amounts due thereto from the sale proceeds and shall return any remaining amount to the shareholder. If the sale proceeds are insufficient to cover these amounts, the Company may satisfy such amounts from the shareholder. The rights associated with shares that are in default of payment of their value shall be suspended until they are sold or the amount due on them is paid. The Board of Directors may sell the share to the shareholder who failed to make payment within the specified period and in accordance with the relevant regulations. However, the shareholder in default up to the sale date may pay the due amount, in addition to any expenses incurred by the Company. In this case, the shareholder shall be entitled to a dividend from the allocated profits. The Company shall cancel the sold share according to the provisions of this Article, and shall give the purchaser a new certificate bearing the canceled number, shall indicate in the shareholder register that the sale has taken</p>

	place and shall mention the name of the new shareholder.
<p><u>Article (12) Issuance of Shares</u> The shares are nominal, and they may not be issued for a value lesser than their nominal value. The Company may issue shares for a value higher than their nominal value, provided that the difference in value is added in a separate item within the shareholder rights and may not be distributed to shareholders as dividend.</p> <p>A share is indivisible against the Company. If a share is owned by multiple persons, they shall select one of them represent them in exercising the rights relating to the share. These persons shall be jointly liable for the obligations arising from the share ownership.</p>	<p><u>Article (12) Issuance of Shares</u> The Company's shares shall be nominal and indivisible vis-à-vis the Company. Where they are owned by several persons, such persons shall designate one person to exercise the rights pertaining to the share, and they shall be jointly liable for the obligations arising from the ownership of the share. The Company may change the nominal value of the share to be lower or higher, in accordance with the controls set by the competent authority. In the latter case, the value difference shall be added in a separate item within shareholders' equity.</p>
<p><u>Article (13) Trading in Shares:</u> The shares subscribed by the shareholders may not be traded except after publishing the financial statements for two (2) fiscal years, each of which is not less than twelve (12) months from the date of the Company's Incorporation. The bonds of such shares shall be marked with evidence of their type on the date of the Company's conversion, and the period during which trading is prohibited. However, during the prohibition period, the ownership of shares may be transferred in accordance with the provisions of the sale of rights from one of the founders to another founder or from the heirs of one of the founders in the event of his death to third parties or in the event of execution on the funds of the insolvent or bankrupt founder, provided that the priority of owning those shares is given to the other founders. The provisions of this Article shall apply to what the founders subscribe to in the event of an increase in the</p>	<p>This Article is Removed</p>



capital before the expiry of the prohibition period.

Article (14) The Company's purchase, sale and pledge of its shares:

1. The Company may purchase its ordinary and preferred shares with the approval of the Extraordinary General Assembly, in accordance with the regulations set by the Capital Market Authority in this regard. Such shares shall not have votes in the General Shareholders' Meetings.
1. It may purchase its shares to be used as treasury shares in accordance with the purposes and controls set by the Capital Market Authority.
2. It may purchase its shares for the purpose of granting them to the Company's employees under the employee stock program after fulfilling the other relevant requirements.
3. The Company may sell the treasury shares in one or more stages in accordance with the regulations set by the Capital Market Authority.
4. The Company may pledge its shares as collateral for a debt in accordance with the regulations set by the Capital Market Authority.
5. Those entitled to own or hold the Company's shares for the benefit of another party may pledge them in accordance with the regulations set by the Capital Market Authority. The pledgee creditor shall be entitled to collect dividends and exercise the rights relating to the share, unless otherwise agreed in the pledge contract. However, the pledgee creditor may not attend or vote in the General Shareholders' Meetings.

Article (15) Shareholders Register:  
Company shares shall be traded in accordance with the Capital Market Authority Law.

Article (13) The Company's purchase, sale and pledge of its shares:

2. The Company may purchase, sell or pledge its shares for any of the purposes approved by the relevant laws, regulations and in accordance with the controls set by the competent authority, by virtue of a resolution of the Extraordinary General Assembly approving the purchase and setting a maximum number of shares to be purchased and the purposes thereof, as stated in the relevant regulations. Such shares shall not have votes in shareholders' meetings.
3. The pledgee creditor shall be entitled to collect dividends and exercise the rights relating to the share, unless otherwise agreed in the pledge contract. However, the pledgee creditor may not attend or vote in the General Shareholders' Meetings.

Article (14) Shareholders Register:  
Company shares shall be traded in accordance with the Capital Market Authority Law.

Article (16) Capital (16) Capital Increase:

1. The Extraordinary General Assembly may decide to increase the Company's capital, provided that the original capital has been fully paid up. The capital is not required to be fully paid up if the unpaid portion of the capital relates to shares issued in exchange for the conversion of debt instruments or financing instruments into shares and the prescribed period for conversion into shares has not expired yet.
2. The Extraordinary General Assembly may, in all cases, allocate all or part of the shares issued for capital increase to employees of the Company and/or all or part of its subsidiaries. Shareholders may not exercise pre-emptive rights if the Company issues shares for employees.
3. At the time the Extraordinary General Assembly issues a resolution approving the capital increase, a shareholder will be entitled to a pre-emptive right to subscribe to the new shares issued against cash contribution. Such a shareholder shall be informed of their pre-emptive right by publishing a notice in a daily newspaper or by notifying them through registered mail of the resolution of capital increase as well as the conditions, duration and commencement and expiry date of the subscription.
4. The Extraordinary General Assembly may stop application of the pre-emptive right vested in shareholders to subscribe to the capital increase against cash contribution or may vest such right in persons other than the shareholders in cases it believes this is appropriate for the Company's interest.
5. A shareholder may sell or assign the pre-emptive right during the period from the

Article (15) Capital (16) Capital Increase:

1. The Extraordinary General Assembly may decide to increase the Company's **issued or authorized capital**, provided that the original capital has been fully paid up. The capital is not required to be fully paid up if the unpaid portion of the capital relates to shares issued in exchange for the conversion of debt instruments or financing instruments into shares and the prescribed period for conversion into shares has not expired yet.
2. The Extraordinary General Assembly may, in all cases, allocate all or part of the shares issued for capital increase to employees of the Company and/or all or part of its subsidiaries. Shareholders may not exercise pre-emptive rights if the Company issues shares for employees.
3. The shareholder owning the share at the time of the Extraordinary General Assembly resolution approving the capital increase shall have priority to subscribe for the new shares issued against cash contributions **in accordance with the relevant regulations**. Such shareholders shall be notified of their priority **in accordance with the procedures and controls set by the regulating entities by registered letter sent to their address registered in the shareholders' register, or through modern technology means**, of the capital increase resolution and the subscription conditions, **method**, duration, start and end dates, **taking into account the type and class of the share they own**.
4. The Extraordinary General Assembly may stop application of the pre-emptive right vested in shareholders to subscribe to the capital increase against cash contribution or

date the General Assembly resolution approving the capital increase is adopted until the last day of subscription to the new shares related to such right, in accordance with the controls set by the competent authority.

6. Subject to paragraph (4) above, the new shares shall be distributed to holders of pre-emptive right who requested subscription in proportionate to their pre-emptive right of the total pre-emptive rights resulting from the capital increase, provided that the shares they receive do not exceed the amount of new shares they requested. The remainder of the new shares shall be distributed to holders of pre-emptive right who requested more than their respective shares in proportionate to their pre-emptive right of the total pre-emptive rights resulting from the capital increase, provided that the shares they receive do not exceed the amount of new shares they requested. The remaining shares shall be offered to third parties, unless the Extraordinary General Assembly decides or the CML states otherwise.

may vest such right in persons other than the shareholders in cases it believes this is appropriate for the Company's interest.

5. A shareholder may sell or assign the pre-emptive right during the period from the date the General Assembly resolution approving the capital increase is adopted until the last day of subscription to the new shares related to such right, in accordance with the controls set by the competent authority.
6. Subject to paragraph (4) above, the new shares shall be distributed to holders of pre-emptive right who requested subscription in proportionate to their pre-emptive right of the total pre-emptive rights resulting from the capital increase, provided that the shares they receive do not exceed the amount of new shares they requested. The remainder of the new shares shall be distributed to holders of pre-emptive right who requested more than their respective shares in proportionate to their pre-emptive right of the total pre-emptive rights resulting from the capital increase, provided that the shares they receive do not exceed the amount of new shares they requested. The remaining shares shall be offered to third parties, unless the Extraordinary General Assembly decides or the CML states otherwise.

Article(17) Capital Reduction:

The Company's capital may, by resolution of the Extraordinary General Assembly, be reduced, following the approval of the CMA, if the capital exceeds the Company's need or if the Company suffers losses. In the latter case only, the capital may be reduced below the limit stipulated in Article 54 of the Companies Law. The reduction resolution may only be issued after the Extraordinary General

Article (16) Capital Reduction:

The Extraordinary General Assembly may decide to reduce the capital if it exceeds the company's needs or if the company has sustained losses. In the latter case only, the capital may be reduced to below the limit stated in Article 59 of the Companies Law. The reduction resolution may only be issued after a statement prepared by the Board of Directors on the reasons calling for the reduction, the

Assembly examines the auditor's Report explaining the reasons for the reduction, the Company's obligations and the effect of the reduction on these obligations.

If the capital reduction is a result of the capital being in excess of the Company's need, the creditors shall be invited to submit their objections to the reduction within sixty days from the date the reduction decision is published in a daily newspaper distributed in the area where the Company's head office is located. If a creditor objects to such reduction and submits to the Company their documents on the specified date, the Company shall pay their debt if already due or shall provide them with sufficient guarantee to satisfy their debt if it is due in the future.

company's obligations and the effect of the reduction on fulfilling them, is read out in the Extraordinary General Assembly. The statement shall be accompanied by a report from the company's auditor. It shall be sufficient to present the aforementioned statement to the shareholders in cases where the General Assembly resolution is issued by circulation.

If the capital reduction is due to its exceeding the company's needs, the creditors shall be invited to express their objection thereto within at least forty-five days from the date set for holding the Extraordinary General Assembly meeting to pass the reduction resolution. Should any creditor object and submit documents to the company within the said period, the company shall pay his debt if immediately due, or provide him with a guarantee if it is deferred.

Article(18) Managing Company Affairs

The Company shall be managed by a Board composed of Seven (7) members to be elected by the Shareholders' Ordinary General Assembly for a period not exceeding Three (3) years.

Article(17) Managing Company Affairs

The Company shall be managed by a Board composed of Seven (7) members to be elected by the Shareholders' Ordinary General Assembly for a period not exceeding Four (4) years.

Article(19) Expiry of Board Membership

Membership of a Board member will expire upon the expiry of their term according to any law or instructions applicable in the KSA. However, the Ordinary General Assembly may, at any time, dismiss all or part of the Board members without prejudice to the right of a dismissed member to claim compensation if they are dismissed for an unacceptable reason or at inappropriate time. A Board member may step down, provided that this takes place at an appropriate time, otherwise such member shall be liable to the Company for the damage caused by stepping down.

Article(18) Expiry of Board Membership

Board membership shall expire upon the end of its term, the expiry of the member's eligibility for it, his death, dismissal by the General Assembly, termination upon the Board's recommendation to the General Assembly, or if convicted of a felony or breach of honor or honesty, declared bankrupt, or became ineligible for Board membership pursuant to the conditions of Board membership or any applicable regulations in the Kingdom. If one or more shareholders having the right to request dismissal of Board members do so, the Board shall include in the invitation for the General Assembly the necessary information

	<p>as stated in the relevant regulations. If a Board member resigns and has remarks on the company's performance, he shall submit a written statement to the Chairman of the Board which shall be presented to the Board members.</p> <p>If the Board's term expires, its members shall continue to perform their duties until a new Board is elected for a new term, provided that their continuation does not exceed the period specified in the relevant laws and regulations, and the Board shall take necessary action in this regard before the end of the continuation period.</p> <p>If the Chairman and Board members resign altogether, they shall invite the General Assembly to convene to elect a new Board within the period specified in the regulations for the Board's resignation. The resignation shall only apply after the election of the new Board.</p>
<p><u>Article (20)</u> Vacant Positions in the Board</p> <p>If the position of a Board member becomes vacant, the Board may appoint a member to temporarily fill the vacancy after obtaining the approval of the CMA Board for this appointment, provided that such member meets the conditions of experience and efficiency. The Ministry of Commerce and Investment shall be notified accordingly within five (5) days from the date of appointment. The appointment shall be referred to the ordinary general assembly in its first meeting. The new member shall complete the term of his predecessor. If the board of directors fails to convene due to the absence of 4 members, the existing members shall call for an Ordinary General Assembly within sixty (60) days to elect the required number of members.</p>	<p><u>Article(19)</u> Vacant Positions in the Board</p> <p>If the position of a Board member becomes vacant, the Board may appoint a member to temporarily fill the vacancy after obtaining the approval of the CMA Board for this appointment, provided that such member meets the conditions of experience and efficiency. The Ministry of Commerce and Investment shall be notified accordingly within the legal period from the date of appointment. The appointment shall be referred to the ordinary general assembly in its first meeting. The new member shall complete the term of his predecessor, or the position remains vacant until the end of the board term, as the Board deems appropriate. If the board of directors fails to convene due to the absence of 4 members, the existing members shall call for an Ordinary General Assembly within the</p>

	period stipulated in the applicable laws to elect the required number of members.
<p><b>Article (21) Authorities of the Board</b> With due consideration to the powers reserved for the General Assembly, the Board of Directors shall have the widest authorities in managing and representing the Company including: Representing the Company inside the Kingdom of Saudi Arabia and abroad in its dealings with others, government and private entities, passports, municipalities, chambers of commerce and industry, institutions, companies of various types, other government agencies, private entities, companies and institutions, banks, commercial banks, development funds, financial houses, all government financing funds and institutions, financial institutions of all types and other lenders, and appointing, dismissing and determining the fees and scope of attorneys, consultants and agents. Entering into contracts and agreements, including but not limited to contracts of purchase, sale, lease, rental, agencies, franchises, financial hedging and other documents, transactions and bids on behalf of the Company, and participating in bids on its behalf. Opening, managing, operating and closing bank accounts, obtaining loans and other credit facilities for any duration, including loans exceeding three years, from government financing funds and institutions, commercial banks, financial houses, credit companies and any other entity, and issuing bank guarantees, sureties, opening letters of credit, deposits, withdrawals, issuing bills, promissory notes, checks and other commercial papers, and carrying out all transactions and entering into all banking agreements and deals. In contracting loans</p>	<p><b>Article (20) Authorities of the Board</b> With due consideration to the powers reserved for the General Assembly, the Board of Directors shall have the widest authorities in managing and representing the Company including: Representing the Company inside the Kingdom of Saudi Arabia and abroad in its dealings with others, government and private entities, passports, municipalities, chambers of commerce and industry, institutions, companies of various types, other government agencies, private entities, companies and institutions, banks, commercial banks, development funds, financial houses, all government financing funds and institutions, financial institutions of all types and other lenders, and appointing, dismissing and determining the fees and scope of attorneys, consultants and agents. Entering into contracts and agreements, including but not limited to contracts of purchase, sale, lease, rental, agencies, franchises, financial hedging and other documents, transactions and bids on behalf of the Company, and participating in bids on its behalf. Opening, managing, operating and closing bank accounts, obtaining loans and other credit facilities for any duration, including loans exceeding three years, from government financing funds and institutions, commercial banks, financial houses, credit companies and any other entity, and issuing bank guarantees, sureties, opening letters of credit, deposits, withdrawals, issuing bills, promissory notes, checks and other commercial papers, and carrying out all transactions and entering into all banking agreements and deals. In contracting loans</p>

exceeding three years, the Board shall observe the following:

- The value of loans that the Board may conclude during the company's fiscal year should not exceed 100% of the company's paid-up capital.
- The Board of Directors determine the aspects of using loans and how to repay them.
- The loan conditions and guarantees shall not cause any harm to the company and its shareholders and creditors guarantees.

Selling or mortgaging the Company's real estate and assets, including its headquarters, provided that the Board shall mention in its report the action reasons and observing the following:

- The Board shall specify in its sale decision the reasons and justifications thereof.
- The sale shall be close to the fair market value.
- The sale shall be forward unless necessary and with adequate guarantees.
- The transaction shall not result in the suspension of some of the Company's activities or additional obligations.

Releasing the company's debtors of their obligations, provided that the minutes of the Board of Directors include the reasons for its decision and take into account the following conditions:

- The release shall be after at least one full year from the debt arising.
- The release shall be for a specified maximum amount each year for the debtor.
- The release is a right of the Board and may not be delegated.

Appointing, dismissing and contracting with managers, employees and workers, applying

exceeding three years, the Board shall observe the following:

1. The value of loans that the Board may conclude during the company's fiscal year should not exceed 100% of the company's paid-up capital.
2. The Board of Directors determine the aspects of using loans and how to repay them.
3. The loan conditions and guarantees shall not cause any harm to the company and its shareholders and creditors guarantees.
4. Selling or mortgaging the company's real estate and assets, including the company's headquarters, subject to the following conditions:
  - A) The Board shall specify in its sale decision the reasons and justifications thereof.
  - B) The sale shall be close to the fair market value.
  - C) The sale shall be forward unless necessary and with adequate guarantees.
  - D) The transaction shall not result in the suspension of some of the Company's activities or additional obligations.

The Board shall obtain the necessary regulatory approvals in connection with the sale of assets whose value exceeds (50%) fifty percent of its total assets, whether the sale takes place through a single transaction or several transactions and in accordance with the relevant laws and regulations.

5. Releasing the company's debtors of their obligations, provided that the minutes of the Board of Directors include the reasons for its decision and take into account the following conditions:

for visas, recruiting manpower, identifying the authority of any of them, their appointment duration, salaries and benefits, obtaining residencies, transferring and waiving sponsorships. Approving the internal, financial, administrative and technical regulations of the Company and the policies and regulations for its employees. Authorizing the officials in charge of managing the Company to sign on its behalf within the limits set by the Board. Establishing branches, offices and agencies for the Company, and participating in existing and new companies of different types, signing their Articles of Association, amendments and annexes, including decisions to increase or reduce capital, entry or exit of one or more partners, change of legal form and any other amendments, amending, deleting and obtaining commercial registers and necessary licenses. Approving the Company's business plan and operational plans and annual capital budget. The Board may delegate one or more of its members or others to undertake certain work(s) by virtue of a written authorization or power of attorney.

- أ- The release shall be after at least one full year from the debt arising.
- ب- The release shall be for a specified maximum amount each year for the debtor.
- ت- The release is a right of the Board and may not be delegated.

Appointing, dismissing and contracting with managers, employees and workers, applying for visas, recruiting manpower, identifying the authority of any of them, their appointment duration, salaries and benefits, obtaining residencies, transferring and waiving sponsorships. Approving the internal, financial, administrative and technical regulations of the Company and the policies and regulations for its employees. Authorizing the officials in charge of managing the Company to sign on its behalf within the limits set by the Board. Establishing branches, offices and agencies for the Company, and participating in existing and new companies of different types, signing their Articles of Association, amendments and annexes, including decisions to increase or reduce capital, entry or exit of one or more partners, change of legal form and any other amendments, amending, deleting and obtaining commercial registers and necessary licenses. Approving the Company's business plan and operational plans and annual capital budget. The Board may delegate one or more of its members or others to undertake certain work(s) by virtue of a written authorization or power of attorney.

Article (22) Remuneration of the Board Members:

Remuneration of a Board member shall be as set out in the Companies Law and its

Article (21) Remuneration of the Board Members:

The remuneration of Board members shall consist of a specified amount, attendance



Implementing Regulations. The Board's report to be submitted to the Ordinary General Assembly shall include a comprehensive statement of all benefits received by the Board members during the financial year, including bonuses, expense allowances and other benefits. The report shall also include a statement of the amounts received by the Board members in their capacity as officers or administrators or any other amounts received thereby in consideration of technical or administrative activities or consultations. The report shall include as well a statement of the number of Board meetings and the number of meetings attended by each member since the date of the last meeting of the General Assembly.

allowance for meetings, expense allowance or in-kind benefits, or otherwise, in accordance with relevant regulations and the remuneration policy approved by the Company's General Assembly. Two or more of these benefits may be combined, and details of the remuneration policy shall be disclosed in the Board's annual report as per the relevant regulations.

Article (23) Authorities of the Chairperson, Vice Chairperson and the Secretary:

Board shall appoint, from amongst its members, a Chairperson and a Vice Chairperson and a managing director. The Chairperson may not hold any executive position in the Company. The VP shall preside the Board Meetings in case of the absence of the Chairman.

The Chairman of the Board shall represent the Company in its relations with others, before the judiciary, government agencies, notaries public, courts, dispute settlement committees of different types, arbitration bodies, chambers of commerce and industry, private entities, companies and institutions of different types, and sign all types of contracts, documents and instruments, including but not limited to the articles of association of companies in which the Company participates and all their amendments and annexes, and sign agreements, bonds and conveyances before notaries public and official entities, loan and

Article (22) Authorities of the Chairperson, Vice Chairperson and the Secretary:

The Chairman of the Board shall represent the Company in its relations with others, before the judiciary, government agencies, notaries public, courts, dispute settlement committees of different types, arbitration bodies, chambers of commerce and industry, private entities, companies and institutions of different types, and sign all types of contracts, documents and instruments, including but not limited to the articles of association of companies in which the Company participates and all their amendments and annexes, and sign agreements, bonds and conveyances before notaries public and official entities, loan and guarantee agreements, mortgages and discharge thereof, and issue powers of attorney on behalf of the Company, and plead, defend, reconcile, acknowledge and arbitrate on behalf of the Company. The Chairman may delegate one or more from among its members or third

guarantee agreements, mortgages and discharge thereof, and issue powers of attorney on behalf of the Company, and plead, defend, reconcile, acknowledge and arbitrate on behalf of the Company. Any of them may authorize one or more, within the limits of their competence, to undertake a specific work or works.

The Board shall determine the remuneration of the Chairman and Managing Director in addition to the remuneration specified for Board members.

The Board shall appoint a Secretary, from among its members or others, who shall be responsible for recording the minutes of Board meetings and resolutions and maintaining them, in addition to other tasks assigned to him by the Board. The Board shall determine his remuneration. The terms of the Chairman, Vice Chairman, Managing Director and Secretary who is a Board member shall not exceed their respective terms as Board members. They may be re-elected and the Board may dismiss any of them at any time without prejudice to the dismissed person's right to compensation if the dismissal was unlawful or untimely.

Article (24) Meetings of the Board

The Board shall meet at least four times per year upon invitation by the Chairman. The invitation shall be in writing and may be delivered by hand, mail or fax. The Chairman shall call a Board meeting whenever requested by two members, or if there are circumstances requiring an urgent meeting.

Article (25) Quorum of the Board Meetings

A Board meeting shall only be valid if attended by at least four members, provided that those

party to undertake certain work(s) and give them the authority to sub-delegate.

The Managing Director shall have the authorities determined for him by the Board from time to time.

The Board shall determine the remuneration of the Chairman and Managing Director in addition to the remuneration specified for Board members.

The Board shall appoint a Secretary, from among its members or others, who shall be responsible for recording the minutes of Board meetings and resolutions and maintaining them, in addition to other tasks assigned to him by the Board. The Board shall determine his remuneration. The terms of the Chairman, Vice Chairman, Managing Director and Secretary who is a Board member shall not exceed their respective terms as Board members. They may be re-elected and the Board may dismiss any of them at any time without prejudice to the dismissed person's right to compensation if the dismissal was unlawful or untimely.

Article (23) Meetings of the Board

The Board meets at least four times a year at the invitation of its Chairman. The invitation shall be by any appropriate means of notification. The Chairman of the Board shall invite the Board to a meeting whenever requested to do so in writing by any member of the Board to discuss one or more issues, or when there are situations that require an emergency meeting. Board meetings may be held by means of modern technology.

Article (24) Quorum of the Board Meetings

A Board meeting shall only be valid if attended by half the members in person or by proxy. A

attending in person are no less than three members. A Board member may delegate another member to attend Board meetings in accordance with the following:

- 1- A Board member may not represent more than one other member in the same meeting.
- 2- The delegation shall be in writing and for a specific meeting.
- 3- The delegate may not vote on resolutions which the regulations prohibit the delegator from voting on.

Decisions of the Board's deliberations are issued by a majority of the opinions of the members present or represented therein and in the event of equal opinions, the side wherewith the president voted shall prevail.

Board member may delegate another member to attend Board meetings in accordance with the following:

- 1- A Board member may not represent more than one other member in the same meeting.
- 2- The delegation shall be in writing or by any technical means and for a specific meeting.
- 3- The delegate may not vote on resolutions which the regulations prohibit the delegator from voting on.

Decisions of the Board's deliberations are issued by a majority of the opinions of the members present or represented therein and in the event of equal opinions, the side wherewith the president voted shall prevail.

Article (26) Deliberations of the Board:

The BoD's deliberations and decisions shall be recorded in minutes signed by the Chairman of the BoD, the BoD Members present and the Secretary. Such minutes shall be recorded in a special register signed by the Chairman of the BoD and the Secretary.

The Board of Directors may issue resolutions on urgent matters by presenting them to the members separately (by circulation), unless one of the members requests - in writing - a meeting of the Board to deliberate on them. These decisions shall be submitted to the Council at its first meeting.

Article (25) Deliberations of the Board:

The BoD's deliberations and decisions shall be recorded in minutes signed by the Chairman of the BoD, the BoD Members present and the Secretary. Such minutes shall be recorded in a special register signed by the Chairman of the BoD and the Secretary.

The Board may issue resolutions on urgent matters by circulating them to the members, unless a member requests - in writing - that the Board convenes to deliberate on them. Board resolutions shall take effect from the date of issuance unless stated otherwise in the resolution or made conditional upon certain requirements. Such resolutions shall be presented to the Board in the first subsequent meeting to be recorded in the minutes of that meeting.

Modern technology may be used for signing, documenting deliberations and resolutions, and recording minutes.

Article(27) Attending Assemblies:

Each subscriber, regardless of the number of his shares, may attend the Constituent

Article (26) Attending Assemblies:

Every shareholder has the right to attend General Assembly meetings and may delegate

Assembly (CA), and each shareholder may attend the GA of shareholders, and for this he may delegate another person other than the BoD Members or the Company's employees to attend the GA.

another person who is not a Board member to attend the General Assembly on their behalf. General Assembly meetings may be held and shareholders may participate in deliberations and vote on resolutions through modern technology means, in accordance with the controls set by the competent authorities.

Article(28) Incorporation Assembly:

The founders shall invite all the subscribers to hold a CA within forty-five (45) days from the date of the Ministry's decision to authorize the establishment of the Company. For the meeting to be valid, the attendance of a number of subscribers representing at least half of the capital is required.

Should this quorum be not present, an invitation is sent to a second meeting to be held at least One Hour (1) Hour after the invitation was sent thereto, provided that the invitation for the First Meeting state that.

In all cases, the second meeting shall be valid regardless of the number of subscribers represented therein.

This Article is Removed

Article(29) Authorities of the Incorporation Assembly:

The incorporation assembly shall have the following powers:

- 1- Ensure that all company's shares have been subscribed, and that the minimum capital is paid to the extent of the due amount of the share value in accordance with the Law.
- 2- Discuss the report on the valuation of in-kind shares.
- 3- Approve the final version of the company's articles of association, provided that no substantive amendments are made thereto except with the approval of all subscribers represented in the company.
- 4- Appoint members of the first board of directors for a term not exceeding 5 years

This Article is Removed

<p>and the first auditor, if they have not been appointed in the company's articles of incorporation or articles of association.</p> <p>5- Discuss and approve the incorporators' report on the activities and expenses required for the incorporation of the company.</p>	
<p><u>Article (30)</u> Authorities of the Ordinary General Assembly Except for matters reserved for the Extraordinary General Assembly, the Ordinary General Assembly shall be in charge of all matters relating to the Company and shall be convened at least once a year within the six (6) months following the end of the Company's financial year. The Ordinary General Assembly may be called to hold other meetings whenever needed.</p>	<p><u>Article(27)</u> Authorities of the Ordinary General Assembly Except for matters reserved for the Extraordinary General Assembly, the Ordinary General Assembly is competent for all matters related to the Company. It shall convene at least once a year within six months following the end of the Company's fiscal year. Other ordinary assemblies may also be called as needed. The agenda of the annual General Assembly shall include the items required by the relevant regulations. The requirement to convene the annual Ordinary General Assembly shall be fulfilled by convening an Extraordinary General Assembly during the six months following the end of the fiscal year which includes the items that shall be presented to the annual Ordinary General Assembly, as specified in the relevant regulations.</p>
<p><u>Article (31)</u> Authorities of the Extraordinary General Assembly The EGM is concerned with amending the Company's AOA, except for matters that are prohibited from amending by law. It may issue decisions on matters originally within the competences of the OGM, under the same terms and conditions prescribed for the OGM.</p>	<p><u>Article(28)</u> Authorities of the Extraordinary General Assembly The Extraordinary General Assembly is competent to amend the Company's Articles of Association, except for matters prohibited by law, decide on the continuation or dissolution of the Company, and approve the Company's purchase of its own shares. It may also issue resolutions on matters falling within the competences of the Ordinary General Assembly under the same conditions and circumstances as the Ordinary General Assembly.</p>
<p><u>Article (32)</u> Calling for Meetings of Assemblies:</p>	<p><u>Article(29)</u> Calling for Meetings of Assemblies:</p>

Meetings of the Ordinary or Extraordinary Assemblies shall be held by call of the Board. The Board shall call for a meeting of the Ordinary General Assembly if this is requested by the auditor, the audit committee or a number of shareholders representing at least 5% of the capital. The auditor may call for a meeting of the General Assembly if the Board fails to call for such meeting within thirty (30) days from the date of the auditor's request.

The invitation to convene a General Assembly and its agenda shall be published in a daily newspaper distributed in the area where the Company's head office is located, at least 21 days prior to the set date of the meeting. However, it is sufficient to send the invitation within the said period to all shareholders by registered letters. A copy of the invitation and agenda shall be sent to the Ministry and the Authority within the period specified for publication.

General Assembly meetings shall be convened by the Board of Directors. The Board of Directors shall call for an Ordinary General Assembly if requested by the auditor or one or more shareholders representing at least 10% of the company shares that have voting rights. The auditor may call the Assembly to convene if the Board does not call for such meeting within the period specified by the auditor.

The invitation to the General Assembly meeting and its agenda shall be published through any modern technology means or as specified by the relevant regulations and rules issued by the competent authorities, before the set date of the meeting in accordance with the regulations and rules issued by the competent authorities. The invitation shall include the basic elements stated in the regulations and rules issued by the competent authorities. A copy of the invitation shall be sent to the competent authorities on the date of announcing the invitation.

Article (30) Record of Meeting Attendance: Shareholders who wish to attend the general or special meeting shall register their names at the main company headquarters or at the location of the meeting prior to the stipulated time for the convening of the meeting.

This Article is Removed

Article (34) Quorum for Meetings of the Ordinary General Assembly: A meeting of the Ordinary General Assembly shall be valid only if attended by shareholders representing at least one quarter of the capital. If such quorum is not attained in the first meeting, a second meeting shall be held one hour after the lapse of time set for the first meeting, provided that the invitation for holding the first meeting indicates the possibility of holding such meeting. If the invitation did not include this, the invitation is

Article (30) Quorum for Meetings of the Ordinary General Assembly: A meeting of the Ordinary General Assembly shall be valid only if attended by shareholders representing at least one quarter of the Company's voting rights. If such quorum is not attained in the first meeting, a second meeting shall be held one hour after the lapse of time set for the first meeting, provided that the invitation for holding the first meeting indicates the possibility of holding such meeting. If the invitation did not include this,

<p>directed to a second meeting, which will be held in the same conditions stipulated in Article Thirty (30) of this bylaw. In all cases, the second meeting shall be valid regardless of the number of shares represented therein.</p>	<p>the invitation is directed to a second meeting, which will be held in the same conditions stipulated in Article Thirty (30) of this bylaw. In all cases, the second meeting shall be valid regardless of the number of shares represented therein.</p>
<p><u>Article (35) Quorum of the Extraordinary General Assembly</u> A meeting of the Extraordinary General Assembly shall be valid only if attended by shareholders representing at least one-half of the capital. If such quorum is not attained in the first meeting, a second meeting shall be held one hour after the lapse of time set for the first meeting, provided that the invitation for holding the first meeting indicates the possibility of holding such meeting. . In all cases, the second meeting is deemed valid if attended by shareholders representing at least one quarter of the capital. If the required quorum is not achieved at the second meeting, an invitation is issued for a third meeting to be held under the same conditions stipulated in Article 32 of this Law. The third meeting is deemed valid regardless of the number of shares represented therein, subject to the approval of the competent authority.</p>	<p><u>Article (31) Quorum of the Extraordinary General Assembly</u> An extraordinary general meeting is only considered valid if it's attended by shareholders representing at least half of the company's voting shares entitled to vote. If this quorum isn't achieved in the first meeting, a second meeting is convened one hour after the end of the scheduled time for the first meeting, provided that the invitation to hold the first meeting includes an announcement about the possibility of holding this meeting. .In all cases, the second meeting is deemed valid if attended by shareholders representing at least one quarter of the company's shares entitled to vote. If the required quorum isn't achieved at the second meeting, an invitation is issued for a third meeting to be held under the conditions stipulated in Article 91 of the Companies Law. The third meeting is deemed valid irrespective of the number of shares represented therein.</p>
<p><u>Article (36) Voting at Meetings of the Assemblies</u> Each shareholder shall have one vote per share in the General Assemblies. Cumulative voting shall be applied to election of the Board members.</p>	<p><u>Article (32) Voting at Meetings of the Assemblies</u> Votes in the ordinary general meeting and the extraordinary general meeting are counted on the basis of one vote per share. Cumulative voting shall be used in the election of the board members. Board members cannot participate in voting on assembly resolutions for which the relevant regulations prohibit their voting.</p>
<p><u>Article (37) Resolutions of the Assemblies</u> Decisions are issued in the founding assembly by an absolute majority of the shares</p>	<p><u>Article (33) Resolutions of the Assemblies</u></p>

represented therein. Decisions are issued in the ordinary general meeting by an absolute majority of the shares represented in the meeting.

Decisions of the extraordinary general meeting are issued by a two-thirds majority of the shares represented in the meeting, unless the decision pertains to an increase or decrease in capital, extension of the company's term, dissolution of the company before the expiry of the term specified in its bylaws, or merger with another company, in which case it is only valid if issued by a three-quarters majority of the shares represented in the meeting.

Article (38) Deliberations at Meetings of Assemblies

Each shareholder shall have the right to discuss the subjects listed on the agenda of the Assembly and may address questions in respect thereof to the Board members and the auditor. The Board members or the auditor shall answer questions of the shareholders to the extent that does not expose the Company's interest to harm. If a shareholder deems the answer to their question is unsatisfactory, they may raise the issue with the Assembly whose resolution in that regard shall be effective and enforceable.

Article (39) Chairpersonship of Assemblies and Preparation of Minutes

Shareholder General Assemblies shall be chaired by the Chairperson of the Board; the Vice Chairperson of the Board, in case of absence of the Chairperson, or by whomever the Board delegates from its members for this purpose, in case of absence of the Chairperson or the Vice Chairperson of the Board. At the meeting of the Assembly, there shall be written minutes including the number of shareholders attending or represented, the number of shares

Decisions of the ordinary general meeting are issued with the approval of a majority of the voting rights represented in the meeting.

Decisions of the extraordinary general meeting are issued with the approval of two-thirds of the voting rights represented in the meeting, unless the decision relates to an increase or decrease in capital, or merger with another company, in which case the decision is only valid if issued with the approval of three-quarters of the voting rights represented in the meeting.

Article (34) Deliberations at Meetings of Assemblies

Each shareholder shall have the right to discuss the subjects listed on the agenda of the Assembly and may address questions in respect thereof to the Board members and the auditor. The Board members or the auditor shall answer questions of the shareholders to the extent that does not expose the Company's interest to harm. If a shareholder deems the answer to their question is unsatisfactory, they may raise the issue with the Assembly whose resolution in that regard shall be effective and enforceable.

Article (35) Presidency of Assemblies and Preparation of Minutes:

Meetings of the shareholders' general assemblies are chaired by the Chairman of the Board of Directors, or his deputy in his absence, or someone appointed by the Board of Directors from among its members. In case of the absence of both the Chairman and his deputy, or in case this is not possible, the general assembly is chaired by someone appointed by the shareholders from either the board members or others by voting. The



they hold in their personal capacity or by proxy, the number of votes they are entitled to, the resolutions adopted and the number of votes for or against them and a sufficient summary of the deliberations which has taken place in the meeting. After each meeting, minutes shall be regularly recorded in a special register to be signed by the Assembly's Chairperson, secretary and vote collector.

assembly appoints a secretary for the meeting and a vote collector. A record is prepared for the assembly meeting, which includes the number of shareholders present or represented, the number of shares they hold directly or by proxy, the number of votes assigned to them, the decisions taken, the number of votes that agreed or disagreed, and a comprehensive summary of the discussions that took place in the meeting. After each meeting, minutes shall be regularly recorded in a special register to be signed by the Assembly's Chairperson, secretary and vote collector.

Article (40) Formation of the Committee:  
By a decision of the ordinary general assembly, a review committee consisting of three members, who are not executive members of the Board of Directors, whether shareholders or others, is formed. The decision specifies the committee's tasks, its work controls, and the remunerations of its members.

Article (36) Formation of the Audit Committee:  
The Audit Committee is formed by a decision of the company's Board of Directors. This committee is composed of non-executive members of the Board of Directors, and should not have less than three members. Among its members should be an independent member, in accordance with the regulations issued by the competent authorities, and a member who specializes in financial and accounting affairs. Based on a proposal by the Board of Directors, the General Assembly should issue a work Law for the committee, including its work controls and procedures, its tasks, rules for choosing its members, how to nominate them, their term of membership, their remuneration, and the mechanism for appointing its members in case of a vacancy in one of the committee's seats. The committee should prepare a report detailing its performance of its competencies and tasks, including its recommendations and opinion on the adequacy of the internal and financial control Law and risk management. Sufficient copies of this report should be deposited with the Board of Directors at the company's main center and published on its

	website when the invitation for the General Assembly to convene is published, according to the period specified by law. A summary of the report is read during the General Assembly meeting.
<u>Article (41) Quorum of the Board Meetings</u> For the validity of an Audit Committee meeting, it is required that a majority of its members are present. Decisions are made by a majority of the votes cast by the attendees. In the event of an equality of votes, the preference is given to the side with which the Chairman of the Committee has voted.	This Article is Removed
<u>Article (42) Powers of the Committee:</u> The Audit Committee is responsible for oversight of the company's operations. It has the right to access its records and documents and request any clarification or statement from the Board of Directors or executive management. It may request the Board of Directors to convene the General Assembly of the company if the Board hinders its work or if the company suffers substantial damage or losses.	This Article is Removed
<u>Article (43) Committee Reports:</u> The Audit Committee shall review the company's financial statements, reports, and notes provided by the auditors and express its views on them, if any. It is also obliged to prepare a report on its opinion regarding the adequacy of the internal control Law in the company and other work falling within its jurisdiction. The Board of Directors shall deposit sufficient copies of this report at the company's headquarters at least twenty-one days before the General Assembly meeting to provide any shareholder who wishes with a copy. The report is read during the General Assembly meeting.	This Article is Removed

	<p><u>Article (37) Formation of the Nomination and Remuneration Committee:</u> A Nomination and Remuneration Committee is formed by a decision of the Board of Directors from non-executive members of the Board of Directors, and should not have less than three members. Among its members should be an independent member, in accordance with the regulations issued by the competent authorities. Based on a proposal by the Board of Directors, the General Assembly should issue a work Law for the committee, including its work controls and procedures, its tasks, rules for choosing its members, how to nominate them, their term of membership, their remuneration, and the mechanism for appointing its members in case of a vacancy in one of the committee's seats.</p>
<p><u>Article (44) Appointment of Auditor:</u> A company shall have one (or more) auditor(s) among the auditors licensed to work in the Kingdom, appointed by the ordinary general assembly annually, and their remuneration and term of office are determined. They can be reappointed, provided that the total duration of their appointment does not exceed five consecutive years. Those who have exhausted this period may be reappointed after two years have passed since the end of it. The Assembly may also change the auditor at any time without infringing on their right to compensation if the change occurs at an inappropriate time or for an illegitimate reason.</p>	<p><u>Article (38) Appointment of Auditor:</u> The company has one or more auditors licensed in the Kingdom of Saudi Arabia appointed by the general assembly, which also determines their fees, term of service, and scope. The auditor can be reappointed, provided that the term of service does not exceed the duration specified in the relevant regulations and laws. The assembly can dismiss the auditor at any time without infringing on their right to compensation for damage if justified. In urgent circumstances, the board of directors can dismiss the auditor and appoint another one. This decision should be presented at the nearest general assembly, and the chairman of the board shall inform the relevant authorities about the dismissal and its reasons within the period specified in the relevant regulations.</p>
<p><u>Article (45) Auditor's Powers:</u> The auditor has the right at any time to inspect the company's books, records, and other</p>	<p><u>Article (39) Auditor's Powers:</u> The auditor has the right at any time to inspect the company's books, records, and other</p>

documents. They can also request data and explanations that they deem necessary to verify the company's assets, liabilities, and other matters within their scope of work. The Chairperson of the Board shall enable the auditor to perform their duties. If the auditor faces any difficulty in this regard, they shall state that fact in a report to be submitted to the Board. If the Board does not facilitate the job of the auditor, the auditor shall ask the Board to call for a meeting of the Ordinary General Assembly to consider the issue.

Article (46) Fiscal Year:

The Company's financial year will commence on January 1 and will end by the end of December of each year. The first financial year will commence from the date the Ministerial resolution No. (433), dated 10/05/1408H, announcing the Company's incorporation until the end of December 1988G.

Article (47) Financial Documents:

1. At the end of the financial year, the Board shall prepare the Company's financial statements and a report about its activities and financial position for the previous financial year. The report shall include the method proposed for distribution of dividends. The Board shall put these documents at the disposal of the auditor at least forty-five (45) days prior to the date scheduled for the convening of the General Assembly.
2. The Company's Chairperson of the Board, CEO and CFO shall sign the documents referred to in paragraph 1 of this Article. Copies of these documents shall be kept at the Company's head office at the disposal of the shareholders at least twenty-one (21) days prior to the date scheduled for the convening of the General Assembly.

supporting documents. They can also request data and explanations that they deem necessary to verify the company's assets, liabilities, and other matters within their scope of work. The Chairperson of the Board shall enable the auditor to perform their duties. If the auditor faces any difficulty in this regard, they shall state that fact in a report to be submitted to the Board. If the Board does not facilitate the job of the auditor, the auditor shall ask the Board to call for a meeting of the Ordinary General Assembly to consider the issue.

Article (40) Fiscal Year:

The company's fiscal year begins on the first of January and ends at the end of December each year.

Article (41) Financial Documents:

- 1- At the end of the financial year, the Board shall prepare the Company's financial statements and a report about its activities and financial position for the previous financial year. The report shall include the method proposed for distribution of dividends. The Board shall put these documents at the disposal of the auditor before the period set out by the applicable laws.
- 2- The Company's Chairperson of the Board, CEO and CFO shall sign the documents referred to in paragraph 1 of this Article. Copies of these documents shall be kept at the Company's head office at the disposal of the shareholders before the date of

3. The Chairperson of the Board shall provide the shareholders with the Company's financial statements, the Board report and the auditor's report, unless they are published in a daily newspaper distributed in the area where the Company's head office is located. The Board shall also send a copy of these documents to the Ministry of Commerce and Investment at least fifteen (15) days prior to the date scheduled for the convening of the General Assembly.

convening of the General Assembly as set out by the applicable laws.  
3- The chairman of the board of directors shall provide the shareholders with the company's financial statements, the board of directors' report, and the auditors' report, unless they have been published using any of the legal methods of publication and advertising. This should be done before the date set for the general assembly and within the period specified by the relevant regulations and rules. These documents shall be deposited according to what is determined by the relevant regulations and rules.

Article (48) Dividends Allocation

The annual net profits of the Company shall be distributed as follows:

- 1- Ten percent (10%) of the net profits shall be retained to form a statutory reserve. The Ordinary General Assembly may discontinue such retention if the reserve reaches 30% of the paid capital.
- 2- The Ordinary General Assembly, based on the proposal of the Board of Directors, may set aside (10%) of the net profits to form a consensual reserve to be allocated for the benefit of the Company.
- 3- The Ordinary General Assembly may decide to create other reserves, to the extent that it serves the interest of the Company or ensures that fixed profits are distributed as much as possible to the shareholders. The aforesaid Assembly may also deduct from the net profits amounts to establish social institutions for the Company's employees or

Article (42) Dividends Allocation

The Company shall be permitted at any point in time to distribute dividends to its shareholders, whether on a quarterly, semi-annual, or annual basis, from the distributable profits in accordance with the audited or examined financial statements, and in line with the controls and procedures established by the relevant authorities.

The Company may also opt to circumvent mandatory reserves and other reserves, with due regard for the controls, procedures, and regulations issued by the authorities competent in this regard.

to assist what may exist from these institutions.

4- Subject to the provisions stipulated in Article (22) of this Articles of Association and Article (76) of the Companies Law, if the remuneration of the members of the Board of Directors is a certain percentage of the Company's profits, this percentage may not exceed (10%) of the net profits after deducting the reserves determined by the General Assembly of the Company and after distributing a profit of no less than (5%) of the Company's paid-up capital, provided that the entitlements to this remuneration is proportional to the number of sessions attended by the member and does not exceed the amount of 500 thousand riyals for the financial year.

The Company may distribute interim profits to its shareholders semi-annually or quarterly after fulfilling the controls and requirements issued by the Capital Market Authority.

Article (49) Entitlement to Dividends:

A shareholder will be entitled to their share of dividends in accordance with the resolution adopted by the General Assembly in this regard. The resolution shall indicate the date of entitlement and the date of distribution.

Article (43) Entitlement to Dividends:

The shareholder shall be entitled to his share of the profits in accordance with the decision of the general assembly or the decision of the board of directors – as the case may be – issued in this regard. The decision shall specify the date of entitlement and distribution, and the right to the profits shall be for the owners of the shares listed in the company's shareholder register at the end of the specified entitlement day. The dividends decided to be distributed to the shareholders shall be paid at the place and times determined by the shareholders' assembly or the board of directors – as the case

	may be – and in accordance with the instructions issued by the competent authority.
<p><u>Article (50) Preferred Share Dividends:</u></p> <p>1. If no dividends are distributed for any fiscal year, dividends for subsequent years may not be distributed except upon payment of the prescribed percentage, as stated in Article 114 of the Law, to the holders of preferred shares for said year.</p> <p>2. If the company fails to pay the dividend specified for holders of Preferred Shares from the company's net profits for three consecutive years, then a Special Assembly of the owners of such shares, convened in accordance with the provisions of Article (89) of the Law, may resolve to allow them to attend the meetings of the company's General Assembly and participate in voting with each Preferred Share carrying one vote, until the company is able to pay the dividends allocated to the owners of such shares for previous years.</p>	<p>This Article is Removed</p>
<p><u>Article (51) Company's Losses</u></p> <p>1. If the company's losses reach one-half of the paid capital, at any time during a financial year, any officer of the Company or the auditor shall, upon being aware of such losses, notify the Chairperson of the Board of such losses. The Chairperson of the Board shall notify the Board members of such losses forthwith. Within fifteen (15) days from the date of being aware of the losses, the Board shall call for a meeting of the Extraordinary General Assembly within forty-five (45) days from the date the Board is aware of the losses in order to decide either to increase or reduce the Company's capital in accordance with the provisions of the Companies Law to the extent the losses fall below one-half of the paid capital or to</p>	<p><u>Article (44) Company's Losses</u></p> <p>If the Company's losses amount to half of its issued capital, the Board of Directors shall disclose this and its recommendations regarding such losses within 60 days from becoming aware thereof, and invite the Extraordinary General Assembly to meet within 180 days from becoming aware thereof to consider the Company's continuity or dissolution and take any necessary measures to address the losses. The responsibility shall also apply to any official, manager, Board member or auditor upon becoming aware that losses have reached the specified amount in accordance with the Companies Law, its Regulations and this Bylaws.</p>

dissolve the Company prior to the term set out in the Companies Law.

2. The Company shall be deemed to have expired by operation of the Companies Law if the General Assembly does not meet within the time specified in paragraph 1 of this Article, if the Assembly meets and is unable to pass a resolution in this regard or if the Assembly decides to increase the capital according to the conditions stipulated in this Article but not all of the capital increase shares have been subscribed to within ninety (90) days from the date the Assembly's resolution to increase the capital is passed.

Article (52) Liability Claim:

Each shareholder has the right to file a liability action, which is vested in the Company, against the Board members if they committed a fault which has caused special damage to the shareholder. A shareholder may not file such action unless the Company is still entitled to file such an action. A shareholder shall inform the Company of their intent to file the action.

Article (45) Liability Claim:

The Company may file a liability lawsuit against the Board members for violating the Companies Law and Regulations or these Articles, due to any mistakes, negligence or failure in performing their duties that caused damages to the Company. Any shareholder(s) representing at least 5% of the Company's capital may file the liability lawsuit prescribed for the Company if the Company does not file it. They may appoint someone to represent the Company in the lawsuit, provided that the main objective is to serve the Company's interests, the lawsuit is based on a sound basis and in good faith, and the plaintiff is a shareholder at the time of filing the lawsuit. The Board members shall be notified of the intent to file the lawsuit within the period specified by law prior to filing. The General Assembly's approval to discharge the Board members from liability does not preclude filing a lawsuit in accordance with the Companies Law. Except for fraud and forgery cases, the liability lawsuit may not be heard after five years from the end of the fiscal year in which the harmful act



	occurred or three years from the end of the relevant Board member's membership, whichever is longer.
<p><u>Article (52) Dissolution of the Company</u> Upon expiry of the Company's term or the dissolution thereof, the Extraordinary General Assembly shall, based on a proposal by the Board, decide the method of liquidation. The Company shall maintain its corporate personality to the extent needed for the liquidation. The liquidation resolution shall include appointment of one or more liquidators and shall specify their powers, fees, and limitations of their powers and the period required for liquidation. The period for voluntary liquidation may not exceed five (5) years and it may not be extended more than that except by a judicial order. The powers of the Board will end with the dissolution of the Company; however, members of the Board shall continue to managed the Company and they shall act as liquidators when dealing with third party until a liquidator is appointed. The General Assembly shall continue to exist during the liquidation period and its role shall be restricted to performance of its functions that do not contradict those of the liquidator.</p>	<p><u>Article (46) Dissolution of the Company</u> The Company shall be dissolved for any of the reasons stated in the relevant regulations. In case of dissolution, the General Assembly shall decide, based on the Board of Directors' suggestion, the method of liquidation, appoint one or more liquidators from among the shareholders or others, determine their powers and fees, and the period as stipulated in the relevant regulations. The Board of Directors' authority shall expire upon the Company's dissolution. However, the Board shall remain responsible for managing the Company until the liquidators are appointed. The Company's management shall retain their powers to the extent that does not conflict with the powers of the liquidators.</p>
<p><u>Article (54)</u> The Companies Law and its regulations shall apply to all other matters not specifically provided for herein.</p>	<p><u>Article (47) Applying the Relevant Laws:</u> All relevant Laws shall apply to anything not covered herein.</p>
<p><u>Article (55)</u> These Bylaws shall be filed and published in accordance with the provisions of the Companies Law .</p>	<p>This Article is Removed</p>

# Articles of Association of SAUDI ADVANCED INDUSTRIES COMPANY

## **Chapter No (1): Company Incorporation**

### **Article No (1): Incorporation**

The company is incorporated pursuant to provisions & regulations of Companies Law as an enlisted Saudi joint stock according to the following:

### **Article No (2): The Company Name:**

Saudi Advanced Industries Company (enlisted Saudi joint stock company)

### **Article No (3): Purposes of the Company:**

The company practices and implements the following purposes:

1. Managing the companies affiliated with it, or participating in the management of other companies in which it contributes and providing the necessary support to them.
2. Investment in the petrochemical industry sector, the glass industry sector, the industrial services sector, the financial services sector, the investment in the education sector, health, the food industry, telecommunications, information technology, applications for tablets, smart phones, artificial intelligence technologies, clean energy and related industries, and investment in patents and military and civil rights, Invest in hedge funds, invest in energy and fuel services, invest in transportation and logistics, invest in tourism and culture, invest in the media and entertainment sector, invest in the sports sector, invest in public utilities, and invest in basic materials. , and investment in the capital goods sector, and investment in commercial and professional services, and investment in the consumer services sector.
3. Investing its funds in stocks and other securities.
4. Own real estate and construct buildings and warehouses necessary to preserve the products of industrial projects and store them and exhibits necessary to display them and other aspects that you need to use in the pursuit of your goals.
5. Establish advanced industries in the fields of electronic industries, engineering and mechanical industries, and complementary industries and provide support and technical and consulting services to these industries to ensure their success and ensure the continuation of their technological development.
6. Establishment of companies in different forms to implement industrial or service projects and assist in implementation or administration.

7. Factories management and self-development of industrial management to serve the national industrial sector in general.

8. Industrial technology training on the basis of purchasing and on the basis of cooperation with employees or employers.

9- Any other lawful purpose which is consistent with the nature of this company.

And the company practices its activities according to applicable laws, and after obtaining the necessary licenses from the competent authorities.

#### **Article No (4): Participation and Owning in Companies**

The company may establish alone limited liability companies or closed joint stock companies provided that their capital is not less than five million Saudi Riyals (SR 5,000,000), and it may also own shares and stocks at other existing companies or merge with them. It has the right to join with others in incorporating companies after fulfilling whatever is required by laws and regulations applicable in this regard, and the company may dispose of these shares or stocks provided that this does not include brokerage in their circulation.

#### **Article No (5): Head Office of the Company**

Head Office of the company will be in Riyadh city. The company also has the right to establish branches, offices or agencies inside and outside the kingdom subject to a decision by the board of directors.

#### **Article No (6): Term of the Company:**

The company term is two (99) years starting from date of its entry in the commercial register, and this term always may be prolonged through a decision issued by the extraordinary assembly one year at least before end of its term.

### **Chapter No (2): Capital and Shares**

#### **Article No (7): Capital**

Capital of the company is determined to be (600,000,000) Saudi Riyals (six hundred million Saudi Riyals) divided into sixty million Saudi Riyals (60,000,000) of equal value of (10) Saudi Riyal each, and all of them are ordinary in kind ordinary cash shares.

#### **Article No (8): Subscription to the Shares or Owning Them**

Subscribing to shares or owning them indicates shareholder's acceptance of the company's articles of association, and commitment to the decisions issued by the general assembly according to provisions of the Companies Law, and the

companies' articles of association, whether he is present or absent, and whether he agrees to the decisions or is objecting to them. Founders have subscribed to all shares of the capital of the company which amount to (60,000,000) shares paid in full.

**Article No (9): Types of Shares**

The company may issue different classes of stock and convert them or buy them according to the relevant regulations, and grant and revoke certain rights or privileges or impose restrictions on certain categories according to the relevant regulations.

**Article No (10): Bonds or Stocks**

It is permissible for the company to issue any type of negotiable debt instruments such as bonds or financing instruments either in part or several parts or through a series of issues or under a program or more. In accordance with the regulations laid down by the competent authorities, the issuance of debt instruments or financial instruments convertible into shares is subject to the issuance of a resolution from the extraordinary general assembly specifying the maximum number of shares that may be issued against those instruments or instruments,

And all that is in the times, amounts and conditions set by the company's board of directors.

**Article No (11): Sale of Shares with Unfulfilled Value**

Shareholder commits to pay value of the share in the times appointed for that, and if it fails to fulfill in the due time, board of directors may, after being informed through the ways stipulated in the company Articles of Association or notifying it by a registered letter, sell the share in the public auction or the stock market as per the situation , and according to the controls determined by the competent entity.

The company will take from the sale proceeds the amounts due to it, and return the balance to the shareholder, and if proceeds of sale do not cover these amounts, the company may return the balance from all amounts of the shareholder.

The enforcement of the rights related to the shares in default of payment is suspended until the sale or payment of the due amount, and the board of directors has to sell the share to the shareholder who defaults in the specified period according to what is said in the relevant regulations. However, it is permissible for the shareholder who defaulted on the payment until the day of the sale to pay the amount due to him in addition to the expenses that the

company spent on this matter, and in this case the shareholder has the right to request to obtain the profits that are to be distributed.

The company cancels the sold share according to provisions of this article and it gives the purchaser a new share with the number of the cancelled one, and it marks occurrence of the sale in the shares record, and writes name of the new owner.

**Article No (12): Issue of the Shares:**

The shares of the company shall be nominal and not divisible towards the company, and if it is owned by several persons, they must choose one of them to be responsible for the use of the rights reserved for the shares, and these persons shall be jointly and severally responsible for the obligations arising from the ownership of the shares. For the company to change the nominal value of the share to be lower or higher, according to the rules set by the competent authority.

**Article No (13): Circulation of Shares**

1. The company may buy, sell or mortgage its shares for any of the purposes approved by the relevant laws and regulations, in accordance with the regulations laid down by the competent authority, according to a resolution issued by the Extraordinary General Assembly by approving the purchase with an upper limit on the number of shares at the place of purchase and purposes, and according to provisions of the relevant laws and such shares shall not have voting rights in the shareholders general assemblies.

2. It is possible for the mortgagee to collect the profits and use the rights related to the shares, unless they agree on the mortgage agreement otherwise, and it is not permissible for the mortgagee to attend public meetings of the shareholders or vote in them.

**Article No (14): Share Certificates:**

The company shares will be circulated according to provisions of the Capital Market Law.

**Article No (15): Capital Increase**

- 1- The extraordinary general assembly may decide increase of the issued or authorized company capital provided that the capital has been fully paid, and it is not required for capital to be fully paid if the unpaid part of the capital is attributed to shares issued against transfer of debit tools or finance deeds to shares, and the term for transferring them into shares has not finished yet.

- 2- The extraordinary general assembly may in all cases allot the shares issued upon increase of the capital or a part thereof to the workers of the company or its affiliates or some of them or any of that, and shareholders may not practice the right of priority upon issue by the company of the shares assigned for workers.
- 3- Shareholder who owns the share at time of issue of the resolution of the extraordinary general assembly may agree upon increase of the capital of priority in subscription with the new shares which are issued against cash stocks, and those will be informed of their priority by publishing in a daily paper or by informing them through registered mail about decision of increase of capital, subscription conditions and term and date of its start and end, putting into account type and category of the share it owns.
- 4- The extraordinary general assembly may stop work with priority right for shareholders in subscription with increase of capital against cash stocks or giving priority to non-shareholders in cases whereas it deems this as proper for interest of the company.
- 5- A shareholder may sell or assign the right of priority during the period from time of issue of decision of the general assembly of consent upon capital increase to the last day of subscription in the new shares associated with these rights according to the controls set up by the concerned entity.

Without prejudice of the provisions of Article No (4) hereinabove, the new shares will be distributed among holders of priority rights who claimed subscription proportionally to priority rights they own from total priority rights caused by increase of capital, provided that this does not exceed what they claimed from the new shares. The remaining from the new shares will be divided among holders of priority rights who claimed for more than their share proportionally to priority rights they own from total priority rights arising out of increase of the capital, provided that what they obtain does not exceed what they claimed from the new shares, and the remaining shares will be offered to third parties unless otherwise is determined by the extraordinary general assembly or provision of the capital market law.

**Article No (16): Capital Decrease:**

Extraordinary General Assembly may decide reduction of capital if it is more than the company requirements, or if it incurred losses, and only in the later case may the capital be decreased to below the limit stated in Article No (59) of Companies Law, and the decrease decision may only be issued after reciting a

special report prepared by the auditor about reasons leading to it, and the liabilities on part of the company and effect of decrease on these liabilities. This statement will be accompanied by a report from the company's auditor, and the said statement may be presented alone to the shareholders in cases where the general assembly decision is issued by passing.

In the event the reduction of capital is resulted from being more than the company requirement, the creditors may be called to object thereon within (45) forty five days from the date specified for holding the extraordinary general meeting to take the reduction decision, and if any creditor object upon that and presents to the company its documents in the said time, the company shall pay him his debt if it is due, or it may present thereto a sufficient guarantee to fulfill it if it has to be paid later.

### **Chapter No (3): The Board of Directors**

#### **Article No (17): Management of the Company:**

- 1- The company management is undertaken by a board of directors composing of (7) seven members elected by the ordinary general assembly of shareholders according to accumulated voting method for no more than four years.

#### **Article No (18): Expiry of the Board Membership:**

The membership of the Council expires at the end of its term or upon the expiration of its term of office, death or removal by the General Assembly or its termination by the recommendation of the Council to the General Assembly, or if he is convicted of a crime of breach of honor and trust, or if he is judged bankrupt, or becomes ineligible for membership of the Council in accordance with the terms of membership of the Board of Directors, or For any system or instructions in force in the Kingdom, and in the event that a shareholder or more have the right to request the removal of members of the board of directors, the board must ensure in the invitation to the general meeting the necessary data according to what is stated in the relevant regulations, and in the event that the member of the board of directors resigns and has comments on performance of the company, he has to present a written statement to the board of directors, and it will be presented to the board members.

And if the term of the board of directors ends, its members will continue to perform their duties until the election of the board of directors for a new term provided that continuation of their term shall not exceed the term determined in



the relevant laws and regulations, and the board of directors shall take necessary actions towards that before end of the continuation period.

And in the case of resignation of the president and members of the board of directors, they must call the General Assembly to convene for the election of a new board of directors during the period specified by the law for the retirement of the board, and it is not necessary to retire until the election of the new board.

**Article No (19): Vacancy in the Board:**

If a position is vacant in the board of directors, the board may appoint a member temporarily in the vacant position according to recommendation of the nominations committee provided that the elected member fulfills conditions of experience and competence and ministry shall be informed of that within the legal term from date of appointment, and appointment shall be proposed to the ordinary general assembly in its first meeting, and the new member will complete the period of his predecessor, or the vacancy remains without filling till end of the session of the board of directors, as deemed relevant by the board. However, if conditions required for holding the meeting of the board of directors are not fulfilled because the number of its members is less than the minimum limit, other members shall invite the ordinary general assembly to be convened within the period specified under the relevant laws to elect the required number of members.

**Article No (20): Authorities of the Board**

Taking into account the terms of reference of the General Assembly, the Board of Directors shall have the widest powers in managing the company, including: Representing the company inside and outside the Kingdom of Saudi Arabia in its relations with third parties, government and private agencies, passports, municipalities, chambers of commerce and industry, institutions and companies of all kinds, other government agencies, bodies, private agencies, private companies and institutions Banks, commercial banks, development funds, money houses, all government funding funds and institutions of various names and specializations, financial institutions of all kinds and other lenders, appointing lawyers, consultants and agents, dismissing them, determining their fees and the scope of their assignment. Conclusion of contracts and agreements, including but not limited to purchase, sale, lease, rental contracts, agencies, concessions, financial hedging contracts and other documents, transactions and deals on behalf of the company and entering into tenders on its behalf. Opening, managing, operating and closing bank accounts, obtaining loans and other credit facilities for any period, including loans that exceed a period of

three years, from government finance funds and institutions, commercial banks, financial houses, credit companies and any other party, and issuing bank guarantees and guarantees, opening bank credits and withdrawing Depositing and issuing promissory notes, promissory notes, checks and other commercial papers, carrying out all transactions and concluding all banking agreements and transactions. The Board shall observe the following conditions for contracting loans whose terms exceed three years:

1. The value of loans that the Board may conclude during the company's fiscal year should not exceed 100% of the company's paid-up capital.
2. That the Board of Directors determine in its decision the aspects of using the loans and the method of their repayment.
3. To take into account the conditions of loans and guarantees provided to him not to harm the company and its shareholders, and the general guarantees of creditors.
4. Selling or mortgaging the company's real estate and assets, including the company's headquarters, subject to the following conditions:
  - a- The Board of Directors shall determine the reasons and justifications for the sale decision.
  - b- The sale should be close to the similar price.
  - c - That the sale be present except in cases of necessity and with sufficient guarantees.
  - d- That this behavior does not result in the cessation of some of the company's activities or burden it with other obligations.

The Board shall obtain the necessary regulatory approvals in connection with the sale of assets whose value exceeds (50%) fifty percent of its total assets, whether the sale takes place through a single transaction or several transactions and in accordance with the relevant laws and regulations.

5. Absolving the debtors of the company of their obligations, provided that the minutes of the Board of Directors include the reasons for its decision and take into account the following conditions:
    - a - That the discharge be after the lapse of a full year from the origin of the debt, as a minimum.
    - b- That the release be for a specified amount as a maximum for each year of the debtor.
    - c - Discharge is a right of the Board of Directors that may not be delegated.
- Appointing and dismissing managers, employees and workers, requesting visas, recruiting manpower and contracting with them, determining the powers of any

of them, the duration of his appointment, his salary and allowances, issuing residencies, transferring and waiving guarantees. Approving the company's internal, financial, administrative and technical regulations, as well as the policies and regulations of its employees. Delegate those responsible for managing the company the authority to sign on behalf of the company within the limits of the rules set by the Board of Directors. Establishing companies, branches, offices and agencies for the company, participating in existing and new companies of all kinds, signing their founding contracts, amendments and appendices, including decisions to increase or decrease capital, exit and entry of one or more partners, change the legal entity and any other amendments, amend, delete and extract commercial records and obtain the necessary licenses. Approving the company's business plan and approving its operational plans and annual capital budget. The Board of Directors has the right to authorize one or more of its members or third parties to undertake a specific work or actions, by virtue of a written authorization or legal agency.

**Article No (21): Remuneration of the Board Members:**

Remuneration of the board of directors is composed of a specific amount, sessions attendance allowance, expenses allowances, in-kind benefits or others as conforming to the relevant laws and in accordance with the policy of remunerations adopted by the company's general assembly, and it is allowed to follow two or more of these benefits jointly, and details of the policy related to remunerations may be disclosed according to the relevant laws.

**Article No (22): Authorities of the Chairman, Deputy Chairman, Managing Director and Secretary:**

The chairman of the board is responsible for representing the company in its relations with third parties, as well as in front of the judiciary, government authorities, notaries, courts, dispute resolution committees of various types, arbitration bodies, chambers of commerce and industry, special entities, companies, and institutions of various types. The chairman also signs all types of contracts, documents, and records, including, but not limited to, company articles of association and their amendments and attachments. Additionally, the chairman signs agreements, deeds, and releases in the presence of notaries and official authorities, loan agreements, guarantees, collateral, their release, and issues legal POAs on behalf of the company. The chairman represents the company in litigation, defense, reconciliation, acknowledgment, and arbitration. The chairman is authorized to delegate one or more of the board

members or others to perform specific tasks and grant them the power to delegate to others.

The managing director enjoys the powers specified by the board of directors from time to time.

The board of directors determines the remuneration received by each of them, in addition to the remuneration set for the board members.

The board of directors appoints a secretary, chosen from among its members or others, who is responsible for recording the minutes of the board meetings and documenting the resolutions issued in these meetings, as well as preserving them, in addition to exercising other duties assigned to them by the board of directors. The board determines their remuneration. The term of the chairman, vice chairman, managing director, and secretary of the board of directors does not exceed their membership term in the board. They may be re-elected, and the board has the right to dismiss them or any of them at any time without violating the right of dismissal compensation if the dismissal occurs for an unjustifiable reason or at an inappropriate time.

**Article No (23): The Board Meetings:**

The board of directors meet four times per year at least according to invitation from its chairman, and invitation will be through any of the suitable ways of notification, and Chairman of the board shall invite the board to meet whenever so is required in writing by any of the members of the board to discuss one issue or more, or when there are conditions that requires holding of an emergency meeting, and meetings of the board may be held through modern means of technology.

**Article No (24): Quorum of the Board Meetings:**

Meeting of the board will only be valid if it is attended by half of the members, and the member of the board may delegate another member to attend the board meetings according to the following controls:

- 1- A member of the board may not appoint more than one member to represent him in attending the same meeting.
- 2- Deputation shall be confirmed in writing or by any of the means of technology, and for one specific meeting.
- 3- The deputy may not vote on the decisions which the law does not allow the member appointing him to vote on.

Decisions of the board are issued with absolute majority and upon equality of the votes, the party of the meeting chairman will have the casting vote.

**Article No (25): Board Deliberations**

Deliberations and decisions of the board are registered in minutes signed by the chairman of the board, attending members of board of directors and the secretary, and these minutes are noted down in a register signed by Chairman of the board of directors and the secretary. The board of directors may issue decisions on urgent matters by proposing them to the members severally (by passing) unless one of the members requires in writing that the board holds a meeting to discuss them. Decisions of the board take effect from date of issuing them unless they state that their effectiveness will be at another time or upon fulfilling specific conditions, and these decisions are proposed to the board at its first next meeting to be stated within the minute of that meeting. Modern means of technology may be used for signing, and for stating the deliberations and resolutions, and noting down the minutes.

#### **Chapter No (4): Shareholder Assemblies**

##### **Article No (26): Attending the Assemblies**

Each shareholder will have the right to attend the general assemblies of shareholders, and for this purpose, he may authorize another person who is not a member of the board to attend the general assembly.

##### **Article No (27): Authorities of the Ordinary General Assembly:**

Except for matters governed by the extraordinary general assembly, the ordinary general assembly is concerned with all matters related to the company, and it is held once at least in the year during the six months next to end of the company fiscal year, and another ordinary general assembly may be invited as needed. The agenda of the assembly in its annual meeting shall include the terms acknowledged by the relevant laws, and the requirement of holding the ordinary annual general assembly by holding an extra ordinary general assembly during the six months next to end of the fiscal year of the company with agenda of the meeting involving the items to be proposed to the meeting of the annual ordinary general assembly and as per provisions of the relevant laws.

##### **Article No (28): Authorities of the Extraordinary General Assembly:**

The extraordinary general assembly is concerned with the amendment of the Articles of Association of the company except for the matters that are not allowed to be amended according to the law, determination of continuation or dissolution of the company and consent upon company purchasing its shares, and it may issue decisions in the matters which are originally included within

the authorities of the ordinary general authority according to the same conditions and situations determined for the ordinary general assembly.

**Article No (29): Inviting the Assemblies**

The general assemblies of the shareholders are convened according to an invitation by the board of directors, and the board of directors shall invite the general assembly to meet if so is requested by the auditor, the auditing committee or one shareholder or more representing (10%) of the company voting shares at least. The auditor may invite the assembly to convene, if the board does not invite the assembly during the fixed period from date of the request of the auditor.

The invitation to convene the General Assembly and the agenda shall be published through any of the modern means of technology or as determined by the relevant regulations and regulations issued by the competent authorities before the date set for the meeting of the Assembly in accordance with what is stated in the relevant regulations and regulations issued by the competent authorities, and to include the invitation to the meeting of the Assembly General, the basic elements contained in the rules and regulations issued by the competent authorities, and a copy of the invitation shall be sent to the competent authorities on the date of announcing the invitation.

**Article No (30): Quorum of the Meeting of the Ordinary General Assembly**

The meeting of the ordinary general assembly may not be valid unless it is attended by shareholders constituting at least quarter of the voting shareholders of the company. If the quorum required for holding meeting of the ordinary general ordinary assembly is not attained the second meeting will be held one hour after expiry of the period determined for holding the first meeting provided that the invitation for the first meeting states possibility of holding this meeting.

In all cases, the second meeting will be valid regardless of the number of shares represented in it.

**Article No (31) Quorum of the Extraordinary General Assembly:**

The meeting of the extraordinary general assembly is required to be attended by a number of shareholders constituting at least half of the voting shares of the company. If such quorum is not available in the first meeting the second meeting shall be held one hour after expiry of the period determined for holding the first meeting provided that the invitation for the first meeting states possibility of holding this meeting.

In all cases, the second meeting will be valid if it is attended by a number of shareholders representing at least quarter of the voting shares of the company. If the required quorum is not fulfilled in the second meeting, an invitation will be directed to a third meeting which will be held according to the same conditions stipulated by Article No (ninety one) of Companies Law, and the third meeting will be valid regardless of the number of shares represented in it.

**Article No (32): Voting in the Assemblies**

Votes at the ordinary general assembly and the extraordinary general assembly are calculated on basis of one vote for each share, and the accumulated voting shall be used in electing members of the board of directors, and members of the board of directors may not participate in voting on the assembly decisions for which they are disallowed to vote according to law.

**Article No (33): Decisions of the Assemblies:**

Decisions in the constitutional assembly are issued according to absolute majority of the shares represented in it, and the decisions of the ordinary general assembly are issued by absolute majority of the shares represented in the meeting. Decisions of the extraordinary general assembly are issued by a majority constituting two third of the shares represented in the meeting unless the decision is related to increase or decreases of the capital or merging the company with another company as in these cases, decision will not be valid unless it is issued according to a majority constituting three quarters of the voting rights represented in the meeting.

**Article No (34): Discussion in the Assemblies:**

Every shareholder has the right to discuss the subjects enlisted in the assembly agenda, and to ask questions in this regard to members of the board of directors and the auditor. The board of directors or the auditor answer questions of the shareholders to the extent that do not expose company interest to damage, and if shareholder believes that reply to his question is not satisfactory, he will resort to the assembly, and its decision in this regard will be effective.

**Article No (35): Assembly Chairmanship & Minutes Preparation:**

The general assembly meetings of shareholders will be chaired by the chairman or his deputy in case of his absence or by the board representative among the board number in the event of the chairman and deputy chairman absence. If this is not attainable, the general assembly will be chaired a person deputed by the shareholders by way of voting whether he is a board member or not. The assembly appoints a secretary and votes collector. Minutes should be written for the general assembly meeting including the number of shareholders,

number of shares in their possession whether for themselves or in the capacity of attorneys-in-fact, number of relevant votes, the decisions taken, number of approving or disapproving votes and a sufficient summary of the meeting's discussions. The minutes should be recorded on a regular basis following each meeting in a separate register signed by the general assembly's chairman, secretary and vote collector.

### **Chapter No (5): The Auditing Committee**

#### **Article No (36): Formation of the Auditing Committee:**

By a decision of the Board of Directors of the company, an audit committee shall be formed of non-executive members of the Board of Directors, and the number of its members shall not be less than three members, provided that among them is an independent member in accordance with the regulations issued by the competent authorities, and that among them there is a member specialized in financial and accounting affairs, and that the issuance of The General Assembly, based on the proposal of the Board of Directors, the work regulations of the committee, and that it includes the controls and procedures of its work, its tasks, the rules for selecting its members, how to nominate them, the duration of their membership, their rewards, and the mechanism for appointing its members in the event of a vacancy in one of the committee members' seats.

The committee shall prepare a report detailing its performance of its competencies and tasks and shall include its recommendations and opinion regarding the adequacy of the system of internal and financial control and risk management. system, and a summary of the report is recited during the meeting of the General Assembly.

#### **Article No (37): Formation of the Nominations and Remuneration Committee:**

The Nominations and Remunerations Committee shall be formed by a decision of the Board of Directors from non-executive members of the Board of Directors, and that the number of its members shall not be less than three members, provided that among them is an independent member in accordance with the regulations issued by the competent authorities. It includes the controls and procedures for its work, tasks and rules for selecting its members, how to nominate them, the duration of their membership, their remuneration, and the



mechanism for appointing its members in the event of a vacancy in one of the committee members' seats.

### **Chapter No (6): The Auditor**

#### **Article No (38): Auditor Appointment:**

The company shall have one or more of the auditors licensed to work in the kingdom, appointed by the ordinary general assembly annually and its remuneration and period of work will be determined by the assembly. The assembly may also at every time change it without violating its right in compensation for damage occurring to it if so is required. The Board of Directors may, in urgent circumstances, dismiss the auditor and appoint another auditor. The dismissal and appointment shall be presented at the nearest general assembly, and the Chairman of the Board of Directors shall notify the competent authorities of the dismissal decision and its reasons during the period specified in the relevant regulations, and in the event of the retirement of an auditor Accounts, the Board of Directors must invite the General Assembly to convene to consider the reasons for retirement and the appointment of another auditor, and that the controls specified in the rules and regulations related to the appointment of the auditor be taken into account.

#### **Article No (44): Authorities of the Auditor**

The accounts auditor shall have the right at any time to review the company's books, records and all other documents. Also, he shall have the right for this purpose to request the data and clarification that he may deem appropriate, to verify the company's assets and liabilities and all other matters falling within the scope of his work. The chairman should facilitate duties of the accounts auditor. If the accounts auditor faces any difficulties while performing his duties, he shall record the same in a report to be presented to the board of directors. If the board has not facilitated the accounts auditor report, he should ask the board of directors to summon the normal general assembly to look into this affair.

### **Chapter No (7): The Company Accounts and Profits Distribution**

#### **Article No (40): The Fiscal Year:**

The company's fiscal year starts on the first day of (January) and ends at 31 (December) of every year

**Article No (41): Financial Documents:**

- 1- The board of directors shall, at end of every financial year, prepare the financial statements of the company, and a report on activity of the company and its financial position of the fiscal year then ending, and the report shall include the way proposed for distribution of the profits, and the board puts these documents under disposition of the auditor forty five (45) days at least before the time determined for holding the general assembly for the period determined by the related laws.
- 2- Chairman of the board of directors of the company and its CEO and financial manager shall sign the documents mentioned in clause No (1) hereof, and copies thereof shall be deposited at the company head office under disposition of the shareholders before the time fixed for holding the general assembly according to the relevant regulations and laws.

**Article No (42): Distribution of Profits:**

The company may distribute to its customers at any time on quarterly, bi-annual or annual basis some profits from the distributable profits according to the audited or inspected financial statements, and subject to controls and procedures of the laws issued by the competent authorities.

The company may set aside the obligatory reserves and other reserves while observing controls, procedures and laws issued by the competent entities in this regard.

**Article No (43): Entitlement to Profits**

The shareholder is entitled to his share in the profits according to the decision of the general assembly or the decision of the board of directors - as the case may be - issued in this regard. The decision indicates the date of maturity and distribution. And the dates set by the Shareholders' Assembly or the Board of Directors - as the case may be - and in accordance with the instructions issued by the competent authority.

**Article No (44): The Company Losses:**

If the company's losses amount to (half) of the issued capital, the Board of Directors must disclose that and its recommendations regarding those losses within (sixty) days from the date of its knowledge of reaching this amount, and invite the Extraordinary General Assembly to convene within (one hundred and eighty) days from the date of knowledge of this to consider the continuation of the company while taking any of the necessary measures to deal with or resolve such losses, and the responsibility also rests on any official, manager, board member, or auditor when any of them knows that the losses have reached the specified amount in accordance with the provisions of the Companies Law and its regulations And this system.

### **Chapter No (8): Disputes**

#### **Article No (45): Responsibility Claim**

The company may file a liability lawsuit against the members of the Board of Directors for violating the provisions of the Companies Law and its regulations or this law, due to what may be issued by them in terms of errors, negligence or failure in the performance of their work and resulting in damages to the company, and for any shareholder or more representing (5%) five percent of The company's capital raises the liability claim established for the company in the event that the company fails to file it, and they have the right to appoint someone to act on behalf of the company in practicing the lawsuit, bearing in mind that the main objective of filing it is to achieve the interests of the company, that the lawsuit is based on a correct grounds and in good faith, and that the one who filed it at the time of the case is a shareholder in the company, with the condition that the members of the Board of Directors be notified of the intention to file the case before the period specified by law for filing it, and the approval of the general assembly of shareholders to release the members of the Board of Directors from liability does not preclude filing the case in accordance with the provisions of the Companies Law, and with the exception of cases of forgery and fraud - the liability claim is not heard after the lapse of five years from the date of the end of the financial year of the company in which the harmful act occurred, or three years from the end of the membership of the concerned board of directors - whichever is later.

### **Chapter No (9): The Company Dissolution and Liquidation**

### **Article No (46): The Company Termination**

The company is terminated by one of the matters stipulated in the relevant regulations, and in the event of its dissolution, the General Assembly decides, based on a proposal by the Board of Directors, the method of liquidation and the appointment of one or more liquidators from among the partners, shareholders, or others, and determines their validity, fees, and the period stipulated in accordance with the relevant regulations, and the authority of the Board of Directors ends with the expiration of the company. However, the board continues to manage the company until a liquidator is appointed, and the company's systems retain their competences to the extent not conflicting with the powers of the liquidators.

### **Chapter No (10): Final Provisions**

#### **Article No (47) : Applying Relevant Law**

Relevant laws & regulations shall be applicable for all matters not provided for in these articles.