

EXTRAORDINARY GENERAL ASSEMBLY MEETING

Dec 22th, 2024



Agenda of the Assembly:

- 1) Vote on amending the Company's Articles of Association to comply with the new Companies Law and rearranging and numbering the Articles of Association in accordance with the proposed amendments (attached).
- 2) Vote on the amendment of Article (3) of the Company's Articles of Association related to the purposes of the Company (attached).
- 3) Vote on the amendment of Article (21) of the Company's Articles of Association related to the management of the Company (attached).
- 4) Vote on the deletion of Article (24) of the Company's Articles of Association related to conflict of interest (attached).
- 5) Vote on adding an article to the company's articles of association No. (24) related to the issuance of Board resolutions in urgent matters (attached).
- 6) Vote on the amendment of Article (25) of the Company's Articles of Association regarding the powers of the Board (attached).
- 7) Vote on the amendment of Article (26) of the Company's Articles of Association regarding the remuneration of the members of the Board of Directors (attached).
- 8) Vote on the amendment of Article (27) of the Company's Articles of Association regarding the powers of the Chairman, Vice Chairman, Managing Director and the Secretary (attached).
- 9) Vote on amending the remuneration policy of the members of the Board of Directors, its Committees and the Executive management (attached).
- 10) Vote on transferring the balance of statutory reserve amounting to SAR 163,619,828 as in the financial statements ended 31/12/2023 to the retained earnings balance amounting to SAR 138,154,544 as in the financial statements ended 31/12/2023.
- 11) Vote on the discharge of the members of the Board of Directors from liability for the fiscal year 2023.
- 12) Vote on the disbursement of (2,900,000) Two Million Nine Hundred Thousand Saudi Riyals as remuneration to the members of the Board of Directors for the fiscal year ending on 31/12/2023.
- 13) Vote on the purchase of Najran Cement Company's shares to a maximum of (17,000,000) shares in order to retain them as treasury shares as the Board of Directors believes that the

share price in the market is less than its fair value. The purchase of shares will be financed from the company's own resources using its cash balances or credit facilities and authorize the Board of Directors to complete the purchase process within a maximum period of twelve months from the date of the extraordinary general assembly resolution. The company will retain the purchased shares for a maximum period of ten years. After the expiry of this period the company will follow the procedures and controls stipulated in the relevant laws and regulations (attached).

Items # 1 to 8

Amending Bylaws of the Company

BYLAW
NAJRAN CEMENT COMPANY

COMPARISON BETWEEN THE OLD AND NEW BYLAW

Old Bylaw	New Bylaw
<p>Article (1) : Incorporation</p> <p>The company has been incorporated as a Joint Stock Company in accordance with the provisions of Companies Law and its bylaws.</p>	<p>Article One: Incorporation:</p> <p>The company established in accordance with the provisions of the Companies Law issued by Royal Decree No. (M/132) dated 01/12/1443 H and its executive regulations issued by the decision of H.E the Minister of Commerce No. (284) dated 23/06/1444 H, and this Bylaw as Saudi joint stock company according to the following:</p>
<p>Article (2): Company Name:</p> <p>Najran Cement Company (Listed Joint Stock Company)</p>	<p>Article Two: Company Name:</p> <p>Najran Cement Company (Listed Saudi Joint Stock Company)</p>
<p>Article (3) : Company Objectives</p> <p>The Company objectives shall be as follows:</p> <p>1- Production of Ordinary Portland and Resistant Cement as per Industrial Ministerial Decision No. (1693) dated 28/11/1425H.</p>	<p>Article Three: Company Purposes:</p> <p>The company shall practice and implement the following purposes:</p> <ol style="list-style-type: none">1. Utilizing quarries to extract stones, sand and clay.2. Mining other non-ferrous metal concentrates.3. Mining chemical minerals and fertilizer minerals.4. Manufacturing types of concrete, cement and gypsum.

<p>2- Wholesale and Retail Trade in Company's Products and Building materials.</p> <p>3- Establishment of or participation in establishment of industrial services companies for purpose of providing maintenance and services to factories within and outside the Kingdom of Saudi Arabia.</p> <p>4- Manage and operate Portland Cement Plants (ordinary, resistant and others).</p> <p>5- Acquisition of lands, real-estate and patents and benefit from its use in achieving its industrial objectives within and outside of the Kingdom.</p> <p>6- Commercial agencies.</p> <p>7- Land transportation and shipping services.</p> <p>8- Cooling and storage services.</p> <p>9- Producing Gold and Silver Bars.</p> <p>10- Producing concentrates of Copper, Zinc, Nickel, and Lead.</p> <p>11- Producing Calcium Carbonate, Dolomite, Mica and Lime.</p> <p>12- Extracting and manufacturing Granite.</p>	<p>5. Manufacturing cement, lime and gypsum.</p> <p>6. Treatment and disposal of non-hazardous wastes.</p> <p>7. Treatment and disposal of hazardous wastes.</p> <p>8. Material recovery.</p> <p>9. Building construction.</p> <p>10. Demolition.</p> <p>11. Site preparation.</p> <p>12. Completion and finishing of buildings.</p> <p>13. Wholesale against fee or on contract basis.</p> <p>14. Wholesale sale of solid, liquid and gaseous fuels and related products.</p> <p>15. Retail of metal tools, paint and glass in specialized stores.</p> <p>16. Retail of other new goods in specialized stores.</p> <p>17. Wholesale of machinery and other equipment.</p> <p>18. Handling of goods.</p> <p>19. Storage.</p> <p>20. Land transportation of goods.</p> <p>21. Real estate activities in owned or rented properties.</p> <p>The company exercises its activities in accordance with the applicable regulations and after obtaining the necessary licenses from the competent authorities, if any.</p>
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<p>13- Safety and Security.</p> <p>The Company shall carry out its activities in accordance with the applicable laws and regulations after obtaining the necessary licenses from the relevant authorities if any.</p>	
<p>Article (4) : Participation and Ownership of Companies</p> <p>The Company may solely establish companies (Limited Liability or Closed Joint Stock) also may own stocks or shares of other existing companies or merge with them. The Company shall have the right to participate with others in establishing Joint Stock or limited liability companies after fulfilling the requirements of the applicable laws and regulations in this regard. The Company may dispose of these stocks or shares provided that this shall not include brokerage in its trading</p>	<p>Article Four: Participation and Ownership in Companies:</p> <p>The company may establish companies individually (limited liability, closed joint-stock, or simplified joint-stock). It may also own shares and equities in other existing companies or merge with them. It has the right to participate with third parties in establishing companies after meeting the requirements of applicable laws and instructions in this regard. The company may also dispose of these shares or equities, provided that this does not include brokerage in their trading.</p>
<p>Article (5) : Company Head Office</p> <p>The Company Head Office shall be in Najran city, Kingdom of Saudi Arabia, and it may establish branches, offices or agencies for the Company inside or outside the Kingdom of Saudi Arabia based on a Board of Directors decision.</p>	<p>No modifications</p>
<p>Article (6) : Term of the Company</p> <p>The duration of the Company is (99) Gregorian years starting from the date of its registration in the Commercial</p>	<p>No modifications</p>

Register. The Company period may always be extended by a decision of the extraordinary general assembly at least one year prior to its expiration.	
Chapter Two: Capital and Shares	Chapter Two: Capital and Shares
Article (7) : Company Capital The Company capital shall be One Billion Seven Hundred million Saudi Riyals (SR 1,700,000,000) divided into One Hundred Seventy Million (170,000,000) nominal shares of equal value. The share value shall be SR 10 and all of them are cash nominal shares.	Article Seven: Capital: The issued capital of company is determined at (1,700,000,000) one billion seven hundred million Saudi Riyals divided into (170,000,000) one hundred and seventy million shares of equal value, each of which is (10) ten Saudi Riyals and all are ordinary cash shares.
Article (8) : Subscription of Shares The founders subscribed in all of the Company shares amounting to One Hundred Seventy Million (170,000, 000) nominal shares, which are fully paid.	Article Eight: Subscription to shares: The shareholders subscribed to the entire issued capital shares amounting to (170,000,000) one hundred and seventy million shares fully paid up for a value of (1,700,000,000) one billion and seven hundred million Saudi Riyals.
Article (9) : Preferred Shares The Extraordinary General Assembly may, according to the rules stipulates by competent authority, issue privileged shares or may purchase or transfer ordinary shares to privileged shares or may transfer privileged shares to ordinary shares, provided that these privileged shares shall not grant the right of vote in shareholders'	Article Nine: Shares: 1. Issuance of shares. The shares shall be nominal and may not be issued at less than their nominal value, but may be issued at a higher value and in this latter case the difference in value shall be added in a separate item within shareholders' equity. It is not permissible to distribute them as profits to shareholders

General Assembly. Such shares shall give their holders the right to obtain higher percentage of the company's net profits than those who hold ordinary shares, after setting aside the statutory reserve.

and the share is indivisible against the company. If the share is owned by several persons, they must choose one of them to represent the others in exercising the rights related to it and these persons shall be jointly liable for the obligations arising from the ownership of the share.

2. Preferred shares or other categories or types of shares

The extraordinary general assembly of the company may, in accordance with the principles set by the competent authorities, issue preferred shares or decide to purchase them or convert ordinary shares into preferred shares or convert preferred shares into ordinary shares. Preferred shares do not give the right to vote in general assemblies of shareholders. As an exception, preferred shares give the right to vote in the general assembly of shareholders if the decision of the general assembly results in reducing the company's capital, liquidating it or selling its assets. Each preferred share shall have one vote in the general assembly meeting. These shares give their owners the right to obtain a larger percentage than the owners of ordinary shares from the company's net profits after deducting reserves "if any".

The company's extraordinary general assembly may, based on the recommendation of the board of directors and in accordance with the controls set by the competent authorities, issue shares or other categories or types of shares or decide to purchase them or convert these shares into other categories.

Article (10) : Bonds and Sukuk

The Company may issue any type of negotiable debt instruments, such as Bonds or Sukuk, whether in part or several parts, or through a series of issues, or under one or more programs that the company establishes from time to time, whether for public offering or otherwise, inside or outside the Kingdom of Saudi Arabia. All of this at the times, amounts and conditions approved by the Company's Board of Directors, and the Board of Directors has the right to take all necessary measures to issue them in accordance with the regulatory rules and procedures set by the relevant authorities.

Article Ten : Bonds and Instruments (Sukuk):

The company may issue, in accordance with the Capital Market Law, tradable debt instruments or financing instruments.

The company may also, by a decision of the extraordinary general assembly, issue debt instruments or financing instruments convertible into shares, after a decision issued by decision by the extraordinary general assembly specifying the maximum number of shares that may be issued against such instruments, whether those instruments are issued at the same time or through a series of issues or through one or more programs to issue debt instruments or financing instruments.

The Board of Directors of the Company shall issue, without the need for new approval from this Assembly, new shares against such instruments or certificates whose holders request to be converted immediately after the expiry of the conversion request period specified for the holders of those instruments or certificates. The Board of Directors of the Company shall take the necessary measures to amend the Company's Bylaw with regard to the number of issued shares and capital. The Board of Directors of the Company shall complete the procedures for each increase in capital in the manner specified in the Bylaw for the publication of the extraordinary general assembly decisions.

Article (11) : Selling Non-Fully Paid Shares

The Shareholder shall pay the share value on dates specified for that. If the shareholder fails to pay the value on due date, the Board of Directors – after notifying him by registered mail to address recorded in shareholder's register - may sell such shares in public auction or a stock market, as the case may be, in accordance with the directives of the Competent Authority.

The Company shall collect the amounts due to it from the sale revenue and refund the balance to the shareholder. If the sale proceeds are insufficient to cover the Company's dues, then the Company may recover the balance from the shareholder's funds.

Despite that the Shareholder in default may- up to the date fixed for selling- pay the amount due from him plus the expenses spent by the Company in this regard.

The Company shall cancel the shares sold in accordance with provisions of this article and shall give the purchaser new share with number of cancelled share and notate in shares register the occurrence of share sale stating the name of the new shareholder.

Article Eleven: Selling shares that their value has not been paid:

1. The shareholder shall pay the value of the share on the specified dates. If he fails to pay on the specified date, the Board of Directors may, after notifying him by registered letter or by any means of modern technology, sell the share at a public auction or the stock market, as the case may be. The other Shareholders shall have priority in purchasing the shares of the shareholder who has defaulted on payment, in accordance with the controls specified by the competent authority.
2. The Company shall collect its due amounts from the sale proceeds and return the balance to the shareholder. If the proceeds of the sale are not sufficient to pay these amounts, the Company may collect the balance from all the shareholder's money.
3. The enforcement of rights related to the shares which value has been defaulted shall be suspended upon the expiry of the specified date until they are sold or the due amount thereof is paid in accordance with the provisions of paragraph (1) of this Article. It shall include the right to obtain a share of the net profits that are decided to be distributed and the right to attend assemblies and vote on their decisions. However, the shareholder who is defaulted in payment until the day of sale may pay the value due from him in addition to the expenses incurred by the company in this regard, in which case the

	<p>shareholder shall have the right to request obtaining the profits that are decided to be distributed.</p> <p>4. The company shall cancel the certificate of the sold share in accordance with the provisions of this Article and shall give the buyer a new share certificate bearing the same number and shall indicate in the shareholders' register that the sale has taken place with the necessary data for the new owner included.</p>
<p>Article (12) : Shares' Issuance</p> <p>Shares shall be nominal and may not be issued in less than their nominal value, but may be issued in higher than the said value. In the latter case, the difference in value shall be added in independent item for shareholders' rights and may not be distributed as profits for shareholders. A share shall not be dividable for the Company. If a share is held by several persons, they must select one of them to act on behalf of them in using the share rights and those persons shall be jointly liable for the obligations appertaining to the share ownership.</p>	<p>Merged with Article Nine: Shares</p>
<p>Article (13) : Shares Trading</p> <p>Subscribed shares by founders may not be traded prior to publishing the financial statements for two full fiscal years and each of which shall not be less than twelve months from the date of incorporation of the Company. A notation shall</p>	<p>Article Twelve: Trading of Shares and Shareholders' Register:</p> <p>The company's shares shall be traded in the stock market in accordance with the provisions of the Capital Market Law and its executive regulations.</p>

<p>be made on the shares deed indicating the type of shares, the date of the Company incorporation and the period during which they are prohibited from being traded.</p> <p>Nevertheless, shares may be transferred during the lock-in period in accordance with the provisions of the sale of shares from one founder to another or from heirs of one of the founders, in the event of his death, to others or in case execution on the funds of the insolvent or bankrupt founder, provided that other founders shall have preemptive rights to own such shares.</p> <p>These provisions shall apply to what the founders subscribe to if the share capital is increased prior to the end of the lock-in period.</p>	
<p>Article (14) : Shareholders Register</p> <p>Company's shares shall be traded in accordance with laws of Capital Market.</p>	<p>Merged with Article Twelve: Stock Trading and Register of Shareholders</p>
<p>Article (15) : Capital Increase</p> <p>1. The Extra-Ordinary General Assembly may decide to increase the Company capital provided that the original capital has been fully paid up. The share capital shall not be required to be paid in full if the unpaid part of the share capital pertains to the shares issued in exchange for the conversion of debt or financing instruments into shares and the period prescribed for converting them into shares has not yet expired.</p>	<p>Article Thirteen: Increasing Capital:</p> <p>1. The Extraordinary General Assembly may decide to increase the company's issued or authorized capital (if any), provided that the issued capital has been paid in full. It is not necessary for the capital to have been paid in full if the unpaid portion of it is due to shares issued against converting debt instruments or financing instruments into shares and the period set for their conversion has not yet expired.</p>

2. The Extra-Ordinary General Assembly may, in all cases, allocate the issued shares upon the increase of share capital or part thereof to the employees of the Company and the subsidiaries or some of them, or any of the same. The shareholders may not exercise the preemptive right when the Company issues the shares allocated to the employees.

3. The shareholder owning the share at the time of Extraordinary General Assembly resolution approving the increase of share capital shall have the priority to subscribe to the new shares issued in exchange for cash shares. Such shareholders shall be notified with their priority by publication in a daily newspaper or by informing them by means of the registered mail of the resolution of increase of share capital and the terms and duration of subscription as well as its commencement and end date.

4. The extra-ordinary general assembly shall stop priority right in subscribing by increasing capital against cash shares, or giving priority to non-founders in cases deemed appropriate for the interest of the Company.

5. The Shareholder shall have right to sell priority right or waive it within time of issuing General Assembly decision for approval to increase capital until last day of subscription in these new shares related to these rights, in accordance with restrictions imposed by competent authority.

6. Subject to provisions of Paragraph (4) stated above, the new shares shall be distributed to the original shareholders who request subscription according to the percentage of the

2. In all cases, the Extraordinary General Assembly may allocate the shares issued upon increasing the capital or part of it to the employees of the company and its subsidiaries or some of them. Shareholders may not exercise the priority right when the company issues the shares allocated to employees.

3. The shareholder who owns the share at the time of issuing the decision of the Extraordinary General Assembly approving the increase in capital shall have priority in subscribing to the new shares issued against cash shares, and shall be notified of his priority - if any - by registered letter to his address listed in the shareholders' register or through modern technology means about the decision to increase the capital and the subscription conditions, method, start and end dates, taking into account the type and category of the share he owns. Provided that each shareholder expresses his desire to exercise his priority right within fifteen days from the mentioned publication date or from the date of the letter sent by registered mail.

4. The Extraordinary General Assembly has the right to suspend the priority right of shareholders to subscribe to the increase in capital against cash shares or grant the priority right to non-shareholders in cases it deems in favor of the company.

5. The shareholder has the right to sell or assign the priority right for a fee or without a fee, in accordance with what is determined by the executive regulations of the Companies Law.

<p>original shares they hold provided that what they receive shall not exceed what they requested from the new shares. The remaining new shares shall be distributed to the original shareholders who request more than their interest according to the percentage of the original shares they hold provided that what they receive shall not exceed what they requested from the new shares. The remaining shares shall be offered for general subscription, unless the extraordinary general assembly decided or capital market law stipulates otherwise.</p>	<p>6. Taking into account the provisions of paragraph (4) above, the new shares shall be distributed to the holders of priority rights who requested the subscription in proportion to their priority rights from the total of these rights resulting from the increase in capital, provided that the shares they obtain does not exceed what they requested of new shares, taking into account the type and category of the share they own. The remaining new shares shall be distributed to the holders of priority rights who requested more than their share in proportion to their priority rights from the total of these rights resulting from the increase in capital, provided that what the shares they obtain does not exceed what they requested of the new shares, and the remaining shares shall be offered to third parties, unless the Extraordinary General Assembly decides or the Capital Market Law stipulates otherwise.</p>
<p>Article (16) : Capital Decrease</p> <p>The Extra-Ordinary General Assembly may decide to decrease the Company capital if it exceeds its need or if a loss occurs to the Company. In latter case, the capital may be decreased according to Article 54 of Companies' Law. This decision of the extra-ordinary general assembly may only be issued upon an auditor's report stating the reasons for that, the Company liabilities, the decrease effect on these liabilities.</p>	<p>Article Fourteen: Reducing Capital:</p> <p>1. The Extraordinary General Assembly may decide to reduce the capital if it exceeds the company's needs or if the company incurs losses. In the latter case alone, the capital may be reduced to below the limit stipulated in Article (Fifty Nine) of the Companies Law. The reduction decision shall not be issued except after reading a statement in the general assembly prepared by the board of directors on the reasons for the reduction, the company's obligations</p>

<p>If the decrease is as a result of the capital excess than the Company's need, then creditors must be invited to express their objections to it within 60 days from the date of publishing the decrease decision in a daily newspaper circulated in the same location of the Company Head Office. If any one of the creditors objects and submitted to the Company his documents within the said period, the Company must pay him his debt if it is due or submit an adequate guarantee for the debt settlement if it is deferred.</p>	<p>and the effect of the reduction in meeting them, provided that a report from the company's auditor to be attached to this statement.</p> <p>2. If the reduction of capital is due to its excess over the company's needs, creditors must be invited to express their objections, if any, to the reduction at least (forty-five) days before the date set for holding the extraordinary general assembly meeting to take the reduction decision, provided that a statement is attached to the invitation clarifying the amount of capital before and after the reduction, the date of the meeting and the date of the reduction's effectiveness. If any creditor objects to the reduction and submit his documents to the company on the aforementioned date, the company must pay his debt if it is due or provide him with sufficient guarantee to fulfill the debt if deferred.</p> <p>Equality must be observed among shareholders holding shares of the same type and category when reducing capital.</p>
<p>Chapter (3) : Purchasing, Selling and Mortgaging Company's Shares</p> <p>Article (17) : Purchasing Company's Shares</p> <p>The Company may purchase its nominal or privileged shares or mortgage them in accordance with rules and procedures of the competent authority and such purchased</p>	<p>Article Fifteen: The Company Purchase, Sale and Mortgage of its Shares:</p> <p>1. The Company may purchase, mortgage or sell its shares in accordance with the controls specified by laws and regulations. The shares purchased by the Company shall not have votes in shareholders' meetings. The Company may also sell treasury</p>

<p>shares shall not have votes in Shareholders' Assembly. The Company may purchase shares and allocate them for Company's employees in accordance with the program of employees shares in accordance with rules and procedures of the competent authority.</p>	<p>shares in one or more stages in accordance with the controls specified by the regulations and bylaws.</p> <ol style="list-style-type: none"> 2. The Company may mortgage shares in accordance with the controls specified by laws and regulations. The mortgagee creditor shall have the right to collect profits and exercise the rights related to the share, unless otherwise agreed upon in the mortgage contract. The mortgagee may not attend or vote in shareholders' meetings. 3. The Company may purchase its shares to allocate them to the Company's employees within the employee stock program in accordance with the controls and procedures set by the competent authorities.
<p>Article (18) : Selling Company's Shares</p> <p>The Company may sell treasury shares on one phase or several phases in accordance with rules and procedures of the competent authority.</p>	<p>Merged with Article Fifteen : Purchase, Sale and Encumbrance of the Company</p>
<p>Article (19) : Mortgaging Company's Shares</p> <p>The Company may pledge its shares as a security for debt in accordance with rules and procedures of the competent authority.</p>	<p>Merged with Article Fifteen : Purchase, Sale and Encumbrance of the Company</p>
<p>Article (20) : Shares Allocated for Company Employees</p> <p>If the Company intends to purchase its shares to be allocated for its employees according to program of employees shares, in addition to restrictions of purchasing</p>	

<p>shares stated in Article (17), the following shall be taken into consideration: -</p> <p>The Extra –Ordinary General Assembly shall approve the program of employees shares, and shall have right to authorize Board of Directors to determine the provisions of this program including allocation price for each share offered to the employees.</p> <p>Non-Executive members of Board of Directors shall not be included in employees share program.</p> <p>Executive Board of Directors members shall not be involved in voting on decisions of Board of Directors related to program of employees' shares</p>	<p>Merged with Article Fifteen : Purchase, Sale and Encumbrance of the Company</p>
<p>Chapter (4) : The Board of Directors</p>	<p>Chapter Three: Board of Directors</p>
<p>Article (21) : Company Management</p> <p>The Company shall be managed by Board of Directors consists of (9) members appointed by the Ordinary General Assembly for a term not exceeding three years.</p>	<p>Article Sixteen: Company Management:</p> <p>The company shall be managed by a Board of Directors consisting of (9) nine members elected by the Ordinary General Assembly of Shareholders for a period not exceeding four Gregorian years. Each shareholder shall also have the right to nominate himself or another person or more from the shareholders or third party for membership of the Board of Directors. In all cases, the members shall be natural persons.</p>
<p>Article (22) : Membership Expiry</p> <p>The Board membership shall expire by the end of its period, or expiry of member validity in accordance with valid</p>	<p>Article Seventeen: Expiry or Termination of Board Membership:</p>

<p>instructions and laws of Kingdom of Saudi Arabia. The Ordinary General Assembly may in any case, remove or fire all members of Board of Directors or some of them without prejudice to rights of fired member to claim compensation, if such removal was due to unacceptable reasons and in improper time. Member of the Board of Directors may resign provided that such resignation shall be in a suitable time otherwise he shall be liable before the Company for any damage resulting from his resignation.</p>	<p>Board membership shall end upon the expiry of its term or upon the expiry of the membership validity in accordance with any applicable law or instructions in the Kingdom. The Ordinary General Assembly may reappoint members of the Board of Directors. The General Assembly may (based on a recommendation from the Board of Directors) terminate the membership of any member who has been absent from attending (three) consecutive meetings or (five) separate meetings during his membership term without a reasonable excuse accepted by the Board of Directors. However, the Ordinary General Assembly may dismiss all or some members of the Board of Directors in accordance with the controls set by the competent authority. In this case, the Ordinary General Assembly shall elect a new Board of Directors or a replacement for the dismissed member, as the case may be, in accordance with the provisions of the Companies Law.</p>
<p>Article (23) : Vacant Position in Board</p> <p>If the position of any one of the Board members becomes vacant, the Board may appoint a temporary member for the vacant position and such member shall be upon votes elected by Board of Directors and shall have experience and adequacy. The Ministry and Capital Market Authority shall be notified within five business days from date of appointment provided that the Board shall submit this appointment to the Ordinary General Assembly at its first meeting, and the new member shall complete the period of</p>	<p>Article Eighteen: Expiry of the Board of Directors term, Resignation of its Members or Vacancy of membership:</p> <ol style="list-style-type: none"> 1. The Board of Directors shall, before the end of its term, call the Ordinary General Assembly for meeting to elect a Board of Directors for a new term. If the election cannot be performed and the term of the current Board of Directors ends, its members shall continue to perform their duties until a Board of Directors is elected for a new term, provided that

his predecessor. In case the necessary conditions are not met for holding meeting due to the number of the Board members becomes less than the quorum required for the Board meetings validity, (5) five members, the remaining members shall call the Ordinary General Assembly for meeting within sixty days to appoint the necessary number of members.

the term of the members of the Board whose term has ended does not exceed the term specified in the Executive Regulations of the Companies Law.

2. If the Chairman and members of the Board of Directors resign, they must call the Ordinary General Assembly for meeting to elect a new Board of Directors. The resignation shall not be effective until the new Board is elected, provided that the term of the resigned Board of Directors does not exceed one hundred and twenty (120) days from the date of resignation.
3. A member of the Board of Directors may resign from membership of the Board by written notification addressed to the Chairman. If the Chairman resigns, the notification must be addressed to the remaining members of the Board and the Secretary of the Board. The resignation shall be effective, in both cases, from the date specified in the notification.
4. If the position of a member of the Board of Directors becomes vacant due to the death or retirement of any of its members and this vacancy does not result in a breach of the conditions necessary for the validity of the Board's meeting due to the number of its members being less than the minimum limit, the Board may appoint (temporarily) to the vacant position an experienced and competent person, provided that the Commercial Registry is notified of this within (fifteen) days from the date of appointment, and that the appointment is presented to the Ordinary General Assembly at its first meeting

	<p>and the appointed member completes the term of his predecessor.</p> <p>5. If the conditions necessary for the validity of the Board of Directors' meeting are not met due to the number of its members being less than the minimum limit stipulated in the Companies Law or in this Bylaw, the remaining members must call for Ordinary General Assembly meeting within (sixty) days to elect the necessary number of members.</p>
<p>Article (24) : Conflict of Interest</p> <p>Members of Board of Directors' may not have any direct or indirect interest in the business and contracts being concluded for the company's account unless with an authorization from the Ordinary General Assembly according to the controls being established by the competent body. The member shall notify the Board with his direct or indirect interest in the business and contracts being carried out for the Company's account. This notification shall be recorded in the meeting minutes. This member may not participate in voting on the resolution to be issued in this regard in the Board of Directors and the assemblies of Shareholders.</p> <p>If the Board member fails to disclose his interest, then the Company or every interested party may claim before the competent judicial bodies with voiding the contract or obligating the member to pay any profit or benefit achieved for him from that.</p>	<p>Article deleted</p>

The responsibility for damages resulting out of the business and contracts referred to in the first paragraph of this Article, shall be assumed by the member who has an interest in the business or contract, as well as by the Board of Directors' members if such business and contracts are concluded in violation to provisions of that paragraph, or it is proven that they are not fair, or involve conflict of interests and bring damage to the shareholders.

The Board of Directors shall notify the Ordinary General Assembly when it is convened, with the business and contracts in which one of the board members has a direct or indirect interest. This notification shall be attached with a special report from the Company's external Auditor according to the confirmations inspection form issued from Saudi Organization for Certified Public Accountants.

Members of Board of Directors, who object the resolution, shall be exempted from the responsibility when they prove their objection explicitly in the meeting minutes. Absence from attending the meeting in which the resolution is issued, shall not be deemed a reason for exemption from responsibility if it is proven that the absent member did not know the resolution or could not object thereon after he knew thereof.

The Board of Directors' member may not participate in any work that would compete against the Company, or compete against the Company in one of the activity branches, which it practices; otherwise, the Company shall have the right to claim from him against the competent

<p>judicial bodies with the appropriate compensation, unless he has obtained a prior authorization from the Ordinary General Assembly that allows him to do that, and according to the controls being established by the competent body.</p> <p>Furthermore, the Company may not provide a loan of whatsoever kind to any member of its Board of Directors or Shareholders therein or guarantee any loan any of them may hold with the other.</p> <p>It shall be excluded from that the loans and guarantees being granted by the Company according to its employees' motivation programs as per the internal policies of the company.</p> <p>The Board of Directors' members may not disclose, otherwise in the General Assembly meetings, what they recognized of the Company's secrets, and they may not utilize what they know – by the virtue of their membership – in achieving an interest for them, one of their relatives or for the other; otherwise, it is necessary to remove them and claim them with compensation.</p>	
<p>Article (25) : Powers of the Board of Directors</p> <p>Subject to the General Assembly's competencies, the Board of Directors shall have the broadest authorities to manage the Company for achieving its objectives and to supervise its business, funds, and to manage all its transactions including- to take decisions, conclude contracts, entering into any investment for the Company, purchasing real estates, all current and non-current assets, selling them,</p>	<p>Article Nineteen: Powers of the Board:</p> <p>Taking into account the functions assigned to the General Assembly, the Board of Directors shall have the broadest powers and authorities in managing the company and conducting its affairs inside and outside the Kingdom in a manner that achieves its purposes, supervising all its business, funds and all its transactions, managing its financial, administrative, technical, operational and</p>

<p>mortgaging them, evacuating, receiving, delivering, leasing, renting, releasing, assigning and all other required acts for achieving companies objectives Concerning selling Company's real estates, The Board of Directors' minutes and basis of such resolution, shall take into consideration the following terms:</p> <p>1- The Board shall mention in the sale resolution, the reasons and justification thereto.</p> <p>2- The sale shall be close to the price of the same.</p> <p>3- The sale shall be present unless in the cases being determined by the Board and with sufficient guarantees.</p> <p>4- That disposition shall not result in suspension of certain activities of the Company or cause it bear other obligations.</p> <p>It shall have the right to donate for the charitable purposes, grant and accept gifts, sign the Articles of Association of the Companies in which the Company is participating and the amendment resolutions whether with increase or decrease of the capital, sell and purchase shares, entry and exit of a partner, amend the management or purposes of the Company or any of the Articles of Association items before the Notary Public and all official bodies, as well as signing agreements with all their kinds.</p> <p>The Board of Directors may execute loan agreements which exceed three (3) years and taking into consideration the following terms and conditions: -</p>	<p>marketing affairs, setting its policies, investing and developing its funds and assets, supervising its business and funds, signing agreements and deeds before a notary public and official entities, including taking decisions, concluding contracts, entering into any investment in favor of the company, purchasing real estate and lands, dividing, sorting, developing, constructing and mortgaging them, accepting and releasing mortgages, selling, conveying and collecting the price, receiving and delivering documents, cheques and deeds, entering into real estate contributions, purchasing and selling real estate shares, concluding and renewing rental and leasing contracts, collecting and transferring, signing contracts with institutions and contractors, supervising construction and all other actions necessary to achieve the company's purposes. The Board of Directors shall also have the right to reconcile, transfer, contract, commit and correlate in the name of the company and on behalf of it.</p> <p>The Board of Directors has the right, for example, but not limited to, to participate in other companies with the requirement, to sign all types of contracts, agreements and documents, including but not limited to companies Articles of Association that the company establishes or participates in establishing, and amendment appendices without limitation, and to sign partners' decisions, appoint and dismiss managers, approve the entry of partners, receive allocation surplus, purchase shares and equities, pay the price, sell equities and shares, receive the value, sell company branches, amend the nationality of one of the partners in the contract, assign shares and equities from the capital, accept the assignment of shares and equities from</p>
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<p>1- The Board of Directors shall specify usages of the loan and repayment methods.</p> <p>2- Loan's terms and conditions shall not cause damages to its shareholders and to the general guarantees provided to its creditors.</p> <p>The Board of Directors may issue Bonds (Sukuk), whether in part or several parts, or through a series of issues, from time to time, amounts and conditions approved by the Company's Board of Directors, without recourse to Shareholders' General Assembly in this regard, provided that value of these sukuk shall not exceed Company's capital.</p> <p>Board of Directors shall have all powers and authorities for taking all necessary measures to issue the Sukuk and obtain the necessary approvals from the competent authorities. The Board of Directors shall have right to authorize any other person/s according to the granted powers as per the above stated decision and shall grant them the authority to delegate others.</p>	<p>the capital, transfer equities, shares, bonds, open files for companies, open company branches, liquidate and amend the legal entity of companies, cancel Articles of Association and amendment appendices, sign Articles of Association and amendment appendices with a notary public, sign agreements, amend the purposes of companies, amend the name of companies, amend the terms of Articles of Association and amendment appendices, attend ordinary and extraordinary general assemblies, founding and transformational assemblies, amend the corporate management clause therein, and sign the minutes of meetings in these companies.</p> <p>The Board of Directors may also request and conclude loans from the Credit Bank and development funds, government and private financing institutions, banks, and loans that comply with laws that do not exceed the end of the company's term, make any amendments thereto, including any relevant documents like mortgaging accounts, real estate guarantees, balances, current and investment accounts of all kinds, bank guarantees for the company, companies' shares and their mortgage and any loans and agreements from the company in its capacity as a partner and giving priority to third party debts and the like. Requesting banking facilities for the company, issuing Islamic Sukuk and bank guarantees, signing all papers, documents, settlements, bills of exchange, promissory notes, and cheques and endorsing them to third parties, signing all banking transactions related to the company and the companies in which the company participates, completing all banking procedures, opening accounts and</p>
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	<p>all banking transactions, issuing and signing financial guarantees, performance bonds and performance in the name of the company to guarantee the companies in which the company participates, provided that the following conditions must be taken into account when concluding loans whose terms exceed three years:</p> <ol style="list-style-type: none"> 1. The Board of Directors shall specify in its decision the uses of the loan and how to repay it. 2. The loan terms and guarantees provided shall take into account not to harm the company and its shareholders and the general guarantees of creditors. <p>The Board has the right to invest and operate funds in local and international financial markets, sign Islamic Murabaha agreements and investment contracts, assign rights and benefits, conduct all banking transactions necessary for the company's activity, including mortgaging real estate and shares, mortgaging the company's fixed and movable assets and properties or transferring their ownership as a guarantee for the facilities granted to the company, liquidating mortgaged properties, repaying facilities, requesting their release and receiving them in the event of repayment of the facilities granted to the company, disposing the company's assets, properties and real estate, and it has the right to purchase, accept and pay the price, mortgage, release the mortgage, sell, convey and collect the price, unify and sort the properties and deeds. However, with regard to the sale of the company's real estate, the minutes of the Board of Directors and the grounds for its decision to dispose must include consideration of the following conditions:</p>
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	<ol style="list-style-type: none"> 1. The Board shall specify in the sale decision the reasons and justifications therefor. 2. The sale shall be close to the price of the similar. 3. The sale shall be present except in cases determined by the Board and with sufficient guarantees. 4. Such action shall not result in the suspension of some of the company's activities or burden it with other obligations. <p>It also has the right to donate for charitable purposes, give and accept gifts, as well as sign agreements of all kinds.</p> <p>The Board of Directors of the company shall have the right, in cases it deems appropriate, to discharge the company's debtors from their obligations in accordance with what serves its interests, provided that the Board of Directors decision and its grounds shall include consideration of the following conditions:</p> <ol style="list-style-type: none"> 1. The discharge shall be at least after full year from the debt's inception. 2. The discharge shall be for a specified amount as a maximum for each year for each debtor. 3. The discharge is a right of the board that may not be delegated. <p>The board of directors shall obtain the approval of the general assembly when selling assets whose value exceeds (50%) of the total value of its assets, whether the sale is made through a single transaction or several transactions. In this case the transaction that leads to exceeding (50%) of the value of the assets is considered requires the approval</p>
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	<p>of the general assembly, and this percentage shall be calculated from the date of the first transaction made during the previous twelve months.</p> <p>The board of directors shall prepare and approve the company's internal regulations, including financial, administrative and technical regulations, investment policies, internal control and auditing systems, accounting systems, purchasing and contracting systems for works and services.</p> <p>The Board may form permanent and temporary committees according to the needs and circumstances of the company to undertake the tasks determined by the Board of Directors from time to time - pursuant to a decision issued in accordance with this Bylaw - the controls and procedures for the work of such committees and the rules for their formation, tasks and remuneration of their members. The Board of Directors has the right to appoint and dismiss lawyers, financial and administrative consultants, auditors, managers, employees and workers and to set the company's policies in all other matters related to the company's employees.</p> <p>The Board of Directors may delegate or authorize on behalf of it, within the limits of its competencies, one or more of its members or a third party to perform a specific work or works and to cancel the delegation or authorization in part or in full.</p>
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Article (26) : Remuneration of Board of Directors

According to decisions issued by General Assembly, the rewards of Board of Directors shall consist of specific total amount and shall not exceed five hundred thousand Saudi Riyals (financial or in-kind) in accordance with the controls set by the Competent Authority.

The Board of Directors report to be submitted to the General Assembly shall include a comprehensive statement on all rewards, allowances, expenses other benefits which the Board members received during the financial year. The said report shall also include a statement of what the Board members received as Executives or administrators or in consideration for technical, administrative or consultancy assignments carried out by them alongside a statement for number of sessions attended by each member from date of last General Assembly meeting.

Article Twenty: Remuneration of Board of Directors Members:

1. The Board of Directors' remuneration consists of a specific amount or an attendance allowance for sessions, in-kind benefits or a specific percentage of net profits. It is permissible to combine two or more of these benefits as decided by the General Assembly or the regulations approved by the General Assembly in accordance with the provisions of the regulations and controls issued in this regard. The remuneration of the members of the Board of Directors may also vary in amount taking into account the member's experience, functions, work and tasks assigned to him, the number of sessions he attends and other considerations. The member is also entitled to a remuneration for any additional technical, administrative or consulting work assigned to him.
2. The report of the Board of Directors to the Ordinary General Assembly at its annual meeting must include a comprehensive statement of all the remunerations, attendance allowances, expenses, and other benefits that each member of the Board of Directors has received or is entitled to receive during the fiscal year. It must also include a statement of what the members of the Board have received in their capacity as employees or administrators, or what they have received in return for technical, administrative or consulting work and it must also include a statement of the number of Board sessions

	and the number of sessions attended by each member.
<p>Article (27) : Powers of Chairman of the Board, Vice-Chairman, Managing Director and Secretary</p> <p>The Board of Directors shall appoint a Chairman and Vice-Chairman from among its members and may also appoint a Managing Director. The member holding Chairman position may not hold any other executive position in the Company.</p> <p>The Chairman shall represent the Company in its relations with third parties and before Courts, Judicial Committees, Notary Publics and all official and unofficial authorities. He shall have right to sue, defend, sign the companies' Articles of Association which Company participate in, all amendment decisions and other contracts, commitments, deeds, evacuations, opening bank accounts as determined by Board of Directors and all matters and purposes of the Company in accordance with Companies Law and bylaws. The Chairman shall have right to authorize any Board member in all or some of these powers. Board of Directors shall determine powers and authorities of the Chief Executive Officer.</p> <p>Board of Directors shall determine the remuneration of Chairman and Managing Director, in addition to reward determined to Board Members according to Companies Act and its bylaws.</p>	<p>Article Twenty-One: Powers of the Chairman, Vice Chairman, Managing Director or Chief Executive Officer and Secretary:</p> <p>The Board of Directors shall appoint from among its members a Chairman and Vice Chairman, and it may appoint a Managing Director or Chief Executive Officer for the company. The Managing Director or Chief Executive Officer may be a member of the Board or a non-member, and it is not permissible to combine the position of Chairman with any executive position in the company.</p> <p>The Chairman represents the company before third parties, all courts, judicial committees, notary public, and all official and unofficial entities. He has the right to file a lawcase, claim, plead, defend, hear and respond to the lawcase, acknowledge, deny, reconcile, waive, request, reject and refrain oath, bring witnesses and evidence, appeal, respond, vouching and discrediting, challenge forgery, deny handwriting, seals and signatures, request a travel ban and release, request to suspend services and release it, deals with seizure and execution departments, request seizure and execution, request arbitration, appoint experts and arbitrators, challenge the reports of experts and arbitrators, reject and replace them, request the application of Article 230 of the Sharia Litigation law, demand the implementation of judgments, accept and deny judgments,</p>

<p>The Board shall appoint a Secretary from among members or from others to record the minutes of Board meetings, and the Secretary compensation shall be defined by a decision of the Board. The term of office of the Chairman, Vice chairman, the Managing Director and the Secretary who are members of the Board shall not exceed their membership periods in the Board. They may be re-elected. The board may, at any time, remove all or any of them, without prejudice to their rights in compensation, if such removal due to un reasonable reason or in improper time.</p>	<p>object to judgments, request appeal, petition for reconsideration, marginalize judgment deeds, request restoration of honor, request intercession, complete requirements to attend sessions in all lawcases before all courts, receive amounts with certified cheques in the name of the company, receive judgment deeds, request the referral of the lawcase, request the judge's recusal, request entry and intervention before Sharia, administrative and commercial courts and the Devan of Grievances. He has the right to authorize and delegate of third parties, and partial or complete cancellation of delegation or agency.</p> <p>He has the right to sign all types of contracts, agreements, documents, papers, forms, loan agreements, and all financial agreements with government financing funds and institutions, banks, financial institutions, guarantees, sureties, mortgages and release them. He also has the right to purchase, divide, sort, develop, construct, mortgage real estate and lands, accept and release mortgage, sign agreements and deeds before notary public and official entities, sign all types of contracts, agreements and documents, including but not limited to the articles of association of companies established or co-founded by the company, amendment appendices without limitation, signing partners' decisions, appointing and dismissing managers, approving the entry of partners, receiving the surplus allocation, purchasing shares and equities, paying the price, selling shares and equities, receiving the value, selling company branches, amending the nationality of one of the partners in the contract, assign shares and equities from the capital, accepting the assignment of shares and</p>
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	<p>equities from the capital, transferring equities, shares, and bonds, opening company files, opening company branches, liquidating and amending the legal entity of companies, canceling incorporation contracts and amendment appendices, signing articles of association and amendment appendices at the notary public, signing agreements, amending the purposes of companies, amending the name of companies, amending the articles of association clauses and amendment appendices, attending ordinary and extraordinary general assemblies, founding and transformational assemblies, amending the articles of corporate management therein, and signing the minutes of meetings in these companies.</p> <p>The Vice Chairman replaces the Chairman in his absence, and entitled to all matters that would lead to the management of the company's affairs and achieving its purposes and all matters that the Board of Directors entrusts to him, the right to authorize, delegate third parties, and cancel the authorization or delegation partially or wholly.</p> <p>The Managing Director, if appointed, shall have the powers specified by the Board of Directors in the appointment decision.</p> <p>The Chief Executive Officer (CEO) shall have the authority to represent the company in accordance with the powers granted to him by the Board of Directors or the Chairman within the limits of their competency, or those set forth in this Bylaw.</p>
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	<p>The CEO, if appointed, shall represent the company in government departments, ministries, public bodies and institutions, general presidencies, Saudi and foreign embassies and consulates inside and outside the Kingdom, the Ministry of Human Resources and Social Development, labor and recruitment offices, chambers of commerce and industry in all regions, the Ministry of Commerce, the Ministry of Investment, the Commercial Register Department, the Ministry of Interior, the Ministry of Foreign Affairs, the Ministry of Municipal and Rural Affairs and Housing, the Ministry of Transport and Logistics Services, the Ministry of Health, the Ministry of Finance, the Ministry of Environment, Water and Agriculture, the Ministry of Energy, the Ministry of Industry and Mineral Resources, the Ministry of Justice, the Ministry of Economy and Planning, the Ministry of Communications and Information Technology, the General Organization for Social Insurance, the Saudi Post Corporation, the Health Insurance Council, the e-Commerce Council, the Ministry of Sports, the Ministry of Media, the Saudi Electricity Company, the National Water Company, the Capital Market Authority, the General Transport Authority, the Food and Drug Authority, the Communications and Information Technology Commission, the Royal Commission for Riyadh City, the Royal Commission for Jubail and Yanbu, the Saudi Authority for Industrial Cities and Technology Zones, the Saudi Standards, Metrology and Quality Organization, the Water and Electricity Regulatory Authority, the General Authority for Statistics, the General Authority for Civil Aviation, the Zakat, Tax and</p>
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	<p>Customs Authority. The General Ports Authority, the General Entertainment Authority, the General Authority for Endowments, Saudi Aramco, Airport Administrations, the Real Estate Development Fund, the Saudi Fund for Development, the Public Investment Fund, the Saudi Central Bank, and all official and governmental entities in all regions, Principality and governorates in all regions, Dealing with the Quality and Standards Department, the Saudi Standards and Metrology Organization, and social insurance offices in all regions, private sector companies, security agencies, the Principality, the divisions for implementing legal rulings, police departments, passport, the Road Security Command, the General Directorate of Prisons, the General Directorate of Civil Defense and its branches and affiliate departments and sections, dealing with the General Traffic Department and dealing with all other governmental entities.</p> <p>The right to sign lease and rental contracts, agency and franchise contracts, and other contracts, agreements, transactions, deals and obligations, to enter into tenders, register trademarks and patents on behalf of the company.</p> <p>He has the right to represent the company before banks, open all types of accounts with banks, including investment, credit, debit, current, withdrawal, deposit, internal and external transfers, sign credits and financial documents, issue, receive and write cheque books, cash cheques, issue and receive ATM cards, enter passwords, issue account statements, issue and receive certified cheques, request points of sale, request corporate Internet,</p>
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	<p>activate accounts, update data, object to cheques, receive and deliver company documents, issue bank guarantees, sign all papers, documents, cheques and all banking transactions that comply with laws, including closing accounts, appointing authorized signatories on accounts, determining or canceling powers, signing all papers, documents, settlements, bills of exchange, promissory notes and assigning them to others, signing all private banking transactions and completing all banking transactions and procedures.</p> <p>He also has the right to review government and private funds, deals with private recruitment offices division, deals with human resources fund, complete all procedures related to the company in the fund, deals with real estate, agricultural, investment and industrial development funds, request loans, conclude contracts with funds, provide guarantors and consolidate with them, receive and waive loans, request exemption from loans, sign before notary public regarding industrial mortgages, enter tenders, receive forms, register and activate electronic services, extract printouts. He also has the right to issue and renew residencies, issue lost or damaged replacement, issue exit re-entry visa, final exit visa and cancel it, extract and extend visit visa, transfer sponsorships from or to the company, amend professions and manpower data, transfer labor between establishments, settle and transfer Iqama of labor, report and cancel escape, complete procedures for deceased labor, drop labor, issue and renew passports, issue lost or damaged replacement, issue dependents' card, issue</p>
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	<p>printout of labor, deals with the expatriate deportation department, register and activate electronic services.</p> <p>He also has the right to issue and cancel work visas, amend nationalities, destinations of arrival and professions, receive visa compensation and recover their amounts, transfer sponsorships from or to the company, amend professions, update workers' data, dismiss and cancel manpower, create and cancel escape reports for workers, issue and renew workers' licenses, terminate workers with social insurance, review the computer in the labor force, add and delete Saudis, receive Saudization certificates, open, renew and cancel primary and secondary files, transfer, dismiss and cancel facilities and workers, upgrade the level, register and activate electronic services, update company data, extract workers' printouts, and bring workers from abroad.</p> <p>He has the right to request establishment of ground and mobile phones, Internet lines and all services provided by telecommunications companies, request and transfer electricity meters, object to bills, request all services provided by the Saudi Electricity Company, request water meters and sewage connections, object to bills and violations, request all services provided by the National Water Company.</p> <p>He also has the right to issue and renew driving licenses, obtain a replacement for lost and damaged, issue, renew, transfer and cancel car plates, sell and buy cars and transfer their ownership from or to the company, issue a car driving</p>
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	<p>authorization, obtain a vehicle repair permit, create and cancel vehicle theft reports, object, settle and adjudicate violations, obtain a printout and waive damages, register and activate electronic services, receive, deliver and sign thereof.</p> <p>He also has the right to delegate or authorize any member of the Board of Directors or third party in all or some of these powers and he has the right to cancel the authorization or delegation partially or wholly.</p> <p>The Board of Directors determines the remuneration received by each of the Chairman, the Managing Director or the CEO in addition to the remuneration determined for the members of the Board of Directors.</p> <p>The Board of Directors shall appoint a Secretary selected from among its members or third parties, who shall be responsible for recording the minutes of the Board's meetings and preparing for such meetings. His remuneration shall be determined in accordance with the decision of his appointment. The term of the Chairman, the Managing Director, the Secretary and the Board Member shall not exceed the term of each of their membership in the Board. They may be re-elected and the Board may at any time dismiss or relieve them of their positions or any of them without prejudice to the right of the dismissed person to compensation if the dismissal occurred for an unlawful reason or at an inappropriate time. This shall not result in their exemption from their membership in the Board of Directors.</p>
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<p>Article (28) : Meetings</p> <p>The Board shall meet at least twice a year, by convocation from the Chairman. The convocation shall be in writing. The Chairman must call for meeting whenever two members of the Board request so.</p> <p>Board of Directors may issue its decision in urgent cases by single vote through, fax or any electronic communication means, unless two members request to hold a meeting for deliberation, and the decision made by this method shall be presented to Board in the first meeting following its approval.</p>	<p>Article Twenty Two: Board Meetings:</p> <ol style="list-style-type: none"> 1. The Board of Directors shall meet at least four times a year upon invitation from its Chairman. The invitation shall be in writing or via modern technology. The Chairman shall invite the Board to meet whenever any member of the Board requests this in writing to discuss one or more topics. 2. The Board of Directors shall determine the location of its meetings, which may be held using modern technology.
<p>Article (29) : Meetings Quorum</p> <p>A Board meeting shall not be deemed valid unless at least Five (5) of the Board members attend it, provided that the number of the members who attend personally shall not be less than three. If a Board member delegates another member of the Board to attend the Board meetings on behalf of him, delegation shall be in accordance with the following restrictions:</p> <ol style="list-style-type: none"> 1- A Board member may not represent more than one member in the same meeting. 2- Delegation shall be made in writing for specific meeting. 	<p>Article Twenty Three: Board Meeting and Decisions:</p> <ol style="list-style-type: none"> 1. The Board meeting shall not be valid unless attended by at least (5) members, provided that the number of attendees shall not be less than (3) members. A Board member may delegate another member to attend Board meetings in accordance with the following controls: <ol style="list-style-type: none"> a. Board member may not delegate more than one member to attend the same meeting. b. The delegation shall be confirmed in writing, for a specific meeting, and may be sent by e-mail. c. The delegated member may not vote on decisions that the law prohibits the delegator from voting on. 2. Board decisions shall be issued by at least majority of the votes of the members present in person or by

<p>3- A delegate member may not vote on decisions which rule prohibits the delegate from voting.</p> <p>The Board decisions shall be issued by the votes of the majority of the present members or their representatives. In case the numbers of votes are equal, the Chairman shall have a casting vote.</p>	<p>proxy, and in the event of a tie, the side with which the chairman of the meeting voted shall prevail.</p> <p>The Board decision shall be effective from the date of issuance, unless it stipulates that it shall be effective at another time or upon meeting certain conditions.</p>
<p>(New article)</p>	<p>Article Twenty Four: Issuing Board Decisions on Urgent Matters:</p> <p>The Board may issue its decisions on urgent matters by circulation to all members, unless a member requests - in writing - a board meeting to deliberate discuss them. These decisions shall be issued with the approval of the majority votes of its members, and these decisions shall be presented to the Board of Directors at its first next meeting to be included in the minutes of the meeting.</p>
<p>Article (30) : Board Decisions and Deliberations</p> <p>The Board deliberations and decisions shall be entered in minutes to be signed by the Chairman, attended Board members and the Secretary. These minutes shall be recorded in a special register to be signed by the Chairman and the Secretary of the Board.</p>	<p>Article Twenty-Five: Board Deliberations:</p> <ol style="list-style-type: none"> 1. The Board of Directors' deliberations and decisions shall be recorded in minutes prepared by the Secretary and signed by the Chairman of the meeting, the attending Board members and the Secretary. 2. The minutes shall be recorded in a special register signed by the Chairman and Secretary. 3. Modern technology may be used to sign and record deliberations, decisions and record the minutes.

Chapter (5) : Shareholders' Assembly	Chapter Four: Shareholders' Assemblies
<p>Article (31) : Assemblies' Attendance</p> <p>Every Shareholder regardless of the number of his shares shall have the right to attend the meetings of the General Assembly, and may also delegate another person who is not a Board member to attend the general assembly.</p>	<p>Article Twenty-Six: General Assembly Meeting of Shareholders:</p> <ol style="list-style-type: none"> 1. Each shareholder in the company has the right to attend the General Assembly meeting, and he may delegate another person other than a member of the Board of Directors in this regard in accordance with the controls set by the competent authorities. 2. The General Assembly meeting may be held and the company's shareholder may participate in the deliberations and vote on decisions by means of modern technology in accordance with the controls set by the competent authorities.
<p>Article (32) : Constituent Assembly</p> <p>The founders shall call all subscribers to constituent assembly within forty-five days from date of closing the shares subscription; a meeting of this assembly shall not be valid unless it is attended by shareholders representing at least half of the Company's capital. If this quorum is not available in the first meeting, a second meeting shall be held after one hour following the first meeting expiry, and convocation of first meeting shall include this.</p>	<p>Article deleted</p>

<p>In any circumstances, the second meeting shall be deemed valid regardless of number of the shareholders represented in it.</p>	
<p>Article (33) : Competencies of the Constituent Assembly</p> <p>The constituent assembly shall have competence in the following matters:</p> <p>1- To ascertain all Company's shares subscription and fulfillment of minimum capital and due amount of share value in accordance with Companies Law.</p> <p>2- To deliberate in evaluating in-kind shares.</p> <p>3- To acknowledge the final draft of Company's Articles of Association, provided that no substantial amendments are made to the system except by approval of all shareholders who are represented in.</p> <p>4- To appoint members of the first Board of Directors for period not exceeding five years and first auditor unless he has been appointed in memorandum of association or Company's Articles of Association.</p> <p>5- To deliberate in founders' report on Company's business and its expenditures those have been acknowledged when incorporating the Company.</p>	<p>Article deleted</p>

<p>Article (34) : Competencies of Ordinary General Assembly</p> <p>Except the matters of which the Extra-Ordinary General Assembly is concerned, the Ordinary General Assembly shall be concerned with all matters related to the Company. The Ordinary General Assembly shall be held at least once every year within the six months following to the company financial year expiry. Other Ordinary General Assemblies may be called for meeting as necessary.</p>	<p>No modifications</p>
<p>Article (35) : Competencies of Extra-Ordinary General Assembly</p> <p>An Extra-Ordinary General Assembly shall be concerned with amending the Company articles of association except for matters forbidden to amend by law. It may render decisions on matters within the competence of the Ordinary General Assembly in the same conditions and manner decided for the Ordinary General Assembly.</p>	<p>No modifications</p>
	<p>Article Twenty Seven: Powers of Ordinary General Assembly:</p> <p>With the exception of matters specialized for Extraordinary General Assembly, the Ordinary General Assembly shall be competent in all matters related to the Company, shall held at least once a year during the six months following the end of the Company's fiscal year. Other Ordinary General Assemblies may be called whenever necessary.</p>

	<p>Article Twenty Eight: Powers of the Extraordinary General Assembly:</p> <p>The Extraordinary General Assembly shall be competent to amend the Company's Bylaw, except the matters prohibited from amendment by law, and it may issue decisions on matters originally within the competency of the Ordinary General Assembly, under the same conditions and circumstances as stipulated for the Ordinary General Assembly.</p>
<p>Article (36) : Holding Shareholders General Assemblies</p> <p>Shareholders Ordinary or Special assemblies shall be held by convocation of the Board. The Board shall call for holding an Ordinary General Assembly if the Auditor or Audit Committee or a number of Shareholders representing at least 5% of the Company capital request that. The Auditor may call General Assembly for convocation if the Board didn't call assembly within thirty days (30) from date of Auditor's request.</p> <p>The convocation for the General Assembly shall be published in a daily newspaper circulated in the Company Head Office at least twenty-one (21) days before the date fixed for meeting. The convocation shall be addressed to all Shareholders with registered letters and a copy of the convocation and the agenda shall be sent to the Ministry or Capital Market Authority within the period fixed for publishing.</p>	<p>Article Twenty Nine: Invitation to Assemblies:</p> <ol style="list-style-type: none"> 1. General and special assemblies shall be held upon call by the Board of Directors that includes the items required to be voted on by shareholders. The Board of Directors shall call the ordinary general assembly to hold within (thirty) days from the date of the request of the auditor or one or more shareholders representing at least (10%) of the company's shares that have voting rights. The auditor may call the ordinary general assembly to hold if the board does not send the call within (thirty) days from the date of the auditor's request. 2. The call for holding the assembly shall be sent at least (twenty one) days before the specified date and the call shall be published on the website of the Capital market and the website of the company. The company may also send the special call to its shareholders by registered letters to their addresses listed in the shareholders' register or announce the invitation through modern technology means.

	<ol style="list-style-type: none"> 3. Send a copy of the call and agenda to the commercial register and the Capital Market Authority on the date of announcing the call. 4. The invitation to the assembly meeting must include at least the following: <ol style="list-style-type: none"> a. Statement of the person entitled to attend the general assembly meeting, his right to delegate whomever he selects person other than the members of the board of directors, and statement of the shareholder's right to discuss the topics included in the general assembly's agenda, ask questions and how to exercise the right to vote. b. Place, date and time of the meeting. c. Type of the general assembly, whether general or special. d. The meeting agenda including the items required for shareholders to vote on.
<p>Article (37) : Attendance Record</p> <p>The Shareholders who desire to attend the Special or General Assembly shall record their names in Company's Head Office or in location of holding the General Assembly before specified time for assembly meeting.</p>	<p>Article deleted</p>
<p>Article (38) : Quorum of the Ordinary Assembly</p> <p>A meeting of an Ordinary General Assembly shall not be valid unless it is attended by Shareholders representing at least quarter of the Company's capital. If this quorum is not</p>	<p>Article Thirty: Quorum of Ordinary General Assembly Meeting:</p> <ol style="list-style-type: none"> 1. The Ordinary General Assembly meeting shall not be valid unless attended by shareholders

<p>available in this meeting, second meeting to be held within one hour following the first meeting expiry, and the convocation of 1st meeting shall confirm availability to hold this meeting.</p> <p>In any circumstances, the second meeting shall be deemed valid regardless of the number of the Shareholders represented in it.</p>	<p>representing at least quarter of the company's voting shares.</p> <ol style="list-style-type: none"> 2. If the quorum required to hold the Ordinary General Assembly meeting is not available in accordance with paragraph (1) of this Article, a call shall be sent for a second meeting to be held in the same manner stipulated in Article (Ninety one) of the Companies Law within (thirty) days following the date set for the previous meeting. However, the second meeting may be held one hour after the end of the period set for the first meeting, provided that the call to hold the first meeting includes information indicating the possibility of holding such meeting. In all cases, the second meeting shall be valid regardless of the number of shares with voting rights represented therein.
<p>Article (39) : Quorum of the Extra Ordinary Assembly</p> <p>A meeting of an Extra-Ordinary General Assembly shall not be valid unless it is attended by Shareholders representing at least half of the Company capital. If this quorum is not available in this meeting, second meeting to be held within one hour following the first meeting expiry, and the convocation of 1st meeting shall confirm availability to hold this meeting.</p> <p>In any circumstances, the second meeting shall be deemed valid when attended by shareholders who represent quarter of capital at least.</p>	<p>Article Thirty One: Quorum of the Extraordinary General Assembly Meeting:</p> <ol style="list-style-type: none"> 1. The Extraordinary General Assembly meeting shall not be valid unless attended by shareholders representing at least half of the company's voting shares. 2. If the quorum required to hold an extraordinary general assembly meeting is not available in accordance with paragraph (1) of this article, call shall be sent to a second meeting to be held in the same manner stipulated in Article (Ninety one) of the Companies Law. However, the second meeting

<p>If the required quorum is not available in second meeting, a third meeting shall be called with same terms and conditions stated in Article 36 of this Bylaws. In any circumstances, the third meeting shall be deemed valid whatever be the number of the shares represented in it after obtaining approval of the competent authority.</p>	<p>may be held one hour after the end of the period specified for holding the first meeting, provided that the call to hold the first meeting includes information indicating the possibility of holding such a meeting. In all cases, the second meeting shall be valid if attended by a number of shareholders representing at least (quarter) of the company's shares with voting rights.</p> <p>3. If the quorum required to hold the second meeting is not available, a call shall be sent to third meeting to be held in the same manner stipulated in Article (Ninety one) of the Companies Law, and the third meeting shall be valid regardless of the number of shares with voting rights represented therein.</p>
<p>Article (40) : Voting Rights</p> <p>Each subscriber shall have one vote for each share it represents in the constituent Assembly. Each shareholder shall have one vote for each share in general assemblies, and cumulative voting shall be used when appointing Board of Directors</p>	<p>Article Thirty two: Voting in Assemblies:</p> <ol style="list-style-type: none"> 1. Each shareholder has one vote for each share in the general assemblies, and cumulative voting shall be used in electing members of the Board of Directors, so that the voting right for a share may not be used more than once. 2. Board members may not participate in voting on the assembly's decisions related to business and contracts in which they have a direct or indirect interest or which involve a conflict of interest.

<p>Article (41) : Decisions of Assemblies</p> <p>Resolutions of the General Assembly shall be adopted by absolute majority of the shares represented in it. Decisions of the Extra-Ordinary General Assembly shall be adopted by the majority of two thirds of the shares represented in the meeting unless the decision is related to the capital increase or decrease, related to extending the Company period or dissolving the Company before expiry of period set forth in the Articles of Association or merger of the Company with another Company, then such resolution will not be valid unless adopted by the majority of three fourths of the shares represented in the meeting.</p>	<p>Article Thirty three: Assembly Decisions:</p> <ol style="list-style-type: none"> 1. The decisions of the ordinary general assembly shall be issued with the approval of the majority of the voting rights represented in the meeting. 2. The decisions of the extraordinary general assembly shall be issued with the approval of (two thirds) of the voting rights represented in the meeting, unless the decision is related to increasing or decreasing the capital, extending the company's term or dissolving it before the expiry of the period specified in its Bylaw or merging it with another company or dividing it into two or more companies, in which case it shall not be valid unless issued with the approval of (three quarters) of the voting rights represented in the meeting.
<p>Article (42) : Discussions in Assemblies</p> <p>Each Shareholder shall have the right to discuss the agenda items of the assembly and to address questions on them to the Board members and to the Auditor. The Board or the Auditor shall answer the Shareholders questions in the way which does not jeopardize the Company. If a Shareholder is not satisfied with the answer, he may appeal to the assembly and the assembly decision shall be effective in this respect.</p>	<p>No modifications</p>

<p>Article (43) : General Assembly Presidency and preparing Minutes</p> <p>The General Assembly shall be chaired by the Board Chairman or in his absence, the Vice Chairman or the Director designated by the Board from among its members in the absence of the Chairman and the Vice Chairman.</p> <p>An assembly meeting minutes shall be written to include the names of the Shareholders attending personally or by proxy, counting the shares held by principal or agent, counting the votes decided for them, the decisions adopted , the number of decisions supporters and objectors and a full summary of the discussions occur in the meeting. Minutes shall be regularly entered after each meeting in a special record to be signed by the assembly chairman, the secretary and the votes collector.</p>	<p>Article Thirty Five: Presiding Assemblies and Preparing Minutes:</p> <ol style="list-style-type: none"> 1. The meetings of the general assemblies of shareholders shall be chaired by the Chairman of the Board of Directors or his deputy in his absence, or by whomever the Board of Directors delegates from among its members present at the meeting, in the event of the absence of the Chairman of the Board of Directors and his deputy. In the event that this is not possible, the general assembly shall be chaired by whomever the shareholders delegate from among the members of the Board or from others by voting. 2. Minutes shall be drawn up at the general assembly meeting, including the number of shareholders present in person or by proxy, the number of shares held by them in person or by proxy, the number of votes assigned to them, the decisions taken, the number of votes that approved or opposed them, and a comprehensive summary of the discussions held at the meeting. The minutes shall be recorded regularly after each meeting in a special register signed by the Chairman of the Assembly, its Secretary and the vote collectors.
<p>Chapter (6) : Audit Committee</p>	
<p>Article (44) : Committee Formation</p> <p>Audit Committee shall be formed by a resolution of the Ordinary General Assembly. Such Committee shall</p>	<p>Article deleted</p>

<p>comprise at least three members and not more than five members who shall be non-executive board directors whether from shareholders or others. Such resolution shall determine the duties of the Committee, its functioning controls, and remuneration of its members.</p>	
<p>Article (45) : Quorum of Audit Committee Meeting</p> <p>The meeting of Audit Committee shall be valid and legal by presence of all members, and its decisions shall be passed by majority of attending members. In case of equal votes, Committee Chairman shall have the casting vote.</p>	<p>Article deleted</p>
<p>Article (46) : Competencies of Audit Committee</p> <p>The Audit Committee shall monitor Company's business, and shall have right to review Company's records and documents and requesting any explanation or statement from Bboard members or the executive management. The Committee may request from Board to hold General Assembly if Board hinder its activities or if the Company incurred big losses.</p>	<p>Article deleted</p>
<p>Article (47) : Committee's Reports</p> <p>The Committee shall examine financial statements, reports and remarks of Auditor and shall submit its opinion and also to issue reports regarding adequacy of internal control system, and other works carried out within its competence. The Board shall deposit adequate copies from this report in head office of the Company before holding General</p>	<p>Article deleted</p>

<p>Assembly by twenty-one days at least to be submitted to Shareholders. The report shall be read at the General Assembly meeting.</p>	
<p>Chapter (7) : Auditor</p>	<p>Chapter Five: Auditors</p>
<p>Article (48) : Appointment of the Auditor</p> <p>The Company shall have one or more auditors from the auditors licensed for work in the Kingdom to be appointed every year by the General Assembly which decides his appointment, compensation and term of office. The assembly may at all times to change him without prejudice to his rights and compensations if change occurred in improper time and due to groundless reasons.</p>	<p>Article Thirty Six: Appointment, Dismissal and Retirement of the Auditor:</p> <ol style="list-style-type: none"> 1. The company shall have one (or more) auditors licensed in the Kingdom, who appointed and his fees, term of service and scope shall be determined by the general assembly. He may be reappointed, provided that the term of his appointment does not exceed the period in accordance with the provisions stipulated by the law. 2. The auditor may be dismissed by a decision of the General Assembly and the Chairman must notify the competent authority of the dismissal decision and its reasons within a period not exceeding (five) days from the date of the decision. 3. The auditor may resign from his duties by a written notification submitted to the company and his task shall end from the date of submission or at a later date specified in the notification, without prejudice to the company's right to compensation for the damages incurred if reasonable. The resigning auditor is obligated to submit to the company and the competent authority - upon submission of the notification - a statement of the reasons for his

	<p>resignation and the Board of Directors must call the General Assembly to hold to study the reasons for resignation, appoint another auditor and determine his fees, term of work and scope.</p>
<p>Article (49) : Powers of Auditor</p> <p>The Auditor shall at all times have the right to review the Company books, records and other documents. He shall have the right to request any data and statements he considers necessary to verify the Company assets and liabilities and other matters within his scope of work. The Chairman shall enable the Auditor to perform his duties, in case of difficulty, the Auditor shall submit a report in this regard, and shall have right to request from Board to call a General Assembly to reconsider the matter.</p>	<p>Article Thirty Seven: Powers of the Auditor:</p> <p>The auditor may, at any time, audits the company's documents, accounting records and supporting documents and he may request the data and clarifications he deems necessary to obtain to verify the company's assets and liabilities and other matters within the scope of his work. The Board of Directors shall enable him to perform his duty, and if the auditor encounters difficulty in this regard, he shall record this in a report submitted to the Board of Directors. If the Board of Directors does not facilitate the work of the auditors, he shall request them to call the General Assembly to hold to decide on the matter. The auditor may direct this call if the Board of Directors does not direct it within (thirty) days from the date of the auditors' request.</p>
<p>Chapter (8) : The Company Accounts and Profit Distribution</p>	<p>Chapter Six: Company Finance and Dividend</p>
<p>Article (50) : Financial Year</p> <p>The Company financial year shall start from the beginning of January and expire at end of December of each year, provided that the first financial year shall start from the</p>	<p>Article Thirty Eight: Fiscal Year:</p> <p>The company's fiscal year shall begin on 1st January and end at the end of December of each Gregorian year.</p>

<p>date of registration in the commercial registry and ends at end of December of the following year.</p>	
<p>Article (51) : Financial Documents</p> <p>1. The Board of Directors shall prepare, by the end each financial year, financial statements and report on the Company activities and its financial position for the preceding financial year. The report shall include proposed method for distributing profits. The Board shall place these documents at the disposal of the Auditor - at least- 45 days prior to the meeting of the General Assembly.</p> <p>2. The Chairman of the Board, Chief Executive Officer and Chief Financial Officer shall sign the said documents in Paragraph 1 above and copies of them shall be made available at Head Office of the Company for Shareholder's review 21 days prior to the date fixed for holding the meeting of the General Assembly.</p> <p>3. The Chairman shall provide the Shareholders with Company's financial statements, report of Board, Auditor's report and shall publish, in a daily newspaper circulated at the Company Head Office. He shall send a copy of these documents to the Ministry and Capital Market Authority before 15 days from the date fixed for holding the meeting of the General Assembly.</p>	<p>Article Thirty Nine: Financial Statements:</p> <p>1. At the end of each fiscal year of the company, the Board of Directors shall prepare the company's financial statements and a report on its activity and financial position for the past fiscal year. This report shall include the proposed method for distributing profits. The Board shall place these documents at the disposal of the auditors, if any, at least (forty five) days before the date set for the annual ordinary general assembly.</p> <p>2. The Chairman of the Company, Chief Executive Officer and Financial Manager must sign the documents referred to in Paragraph (1) of this Article, publish them on the website of the Capital Market (Tadawul) and the Company's website, and copies must be deposited at the Company's main office at the disposal of the shareholders.</p> <p>3. The Chairman shall provide the shareholders with the company's financial statements and the Board of Directors' report after signing them, and the auditor's report, if any, unless published in any modern technology means, at least (twenty one) days before the date set for the annual ordinary general assembly and shall also deposit these documents as specified in the executive regulations of the Companies Law.</p>

<p>New article</p>	<p>Article Forty: Formation of Reserves:</p> <ol style="list-style-type: none"> 1. The ordinary general assembly - when determining the share of shares in net profits - may decide to form reserves, to the extent that achieves the stake of the company or ensures the distribution of fixed profits as much as possible to shareholders. The aforementioned assembly may also deduct amounts from the net profits to achieve social purposes for the company's employees or to establish or assist non-profit institutions. 2. The ordinary general assembly may - based on a proposal from the Board of Directors - decide to spend such reserves or reserves that the shareholders previously decided to set aside in a way that benefits the company or shareholders.
<p>Article (52) : Profits Distribution</p> <p>The annual net profits of the Company shall be distributed as follows:</p> <p>1- 10% of the net profits shall be set aside to form the statutory reserve of the Company. The Ordinary General Assembly may decide to discontinue such reserve when the reserve reaches (30%) of the paid-up capital.</p>	<p>Article Forty-One: Dividend:</p> <ol style="list-style-type: none"> 1. The General Assembly shall determine the percentage to be distributed to shareholders from the net profits after deducting reserves (if any) based on a recommendation from the Board of Directors in accordance with the requirements of the laws in this regard taking into account the provisions of this Bylaw. 2. The company may, based on a decision from the Board of Directors and after meeting the controls

<p>2- The Ordinary General Assembly, based on proposal of the Board of Directors, shall determine the percentage of net profits to form an additional reserve for benefit of the Company.</p> <p>3- The Ordinary General Assembly may decide to allocate other reserves, to the extent that serves Company's interests or ensures distribution of fixed profits as much as possible to the shareholders. The said assembly may also deduct from the net profits such amounts for setting up of or providing aid to existing social institutions of the Company.</p> <p>4- The remaining profits shall be distributed to the Shareholders at a rate that represents 1% of Company's paid-up capital.</p> <p>5- Subject to the provisions stipulated in Article 26 of this Bylaw and Article 76 of the Companies Law, 10% percentage of the remainder shall be allocated to the remuneration of the Board of Directors after distribution to the shareholders of profits not less than 5% of the Company's paid-up capital, provided that the entitlement to this bonus is proportional to the number of meetings attended by the member.</p> <p>6- The Ordinary General Assembly, based on proposal of the Board of Directors, to take the appropriate decision regarding the remaining profits, in a manner that does not conflict with the decisions and instructions issued by the competent authorities in this regard.</p>	<p>stipulated by the competent authorities, distribute interim profits (quarterly or semi-annually).</p>
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<p>7- The company may, distribute interim dividends (quarterly or biannual) to its shareholders after fulfilling the statutory requirements.</p>	
<p>Article (53) : Profits' Entitlement</p> <p>The Shareholder shall have his share in profits according to resolution issued by General Assembly in this respect. Such resolution shall state the date of entitlement and distribution date.</p>	<p>Article Forty-Two: Entitlement to profits:</p> <p>The shareholder shall be entitled to his share in the profits in accordance with the General Assembly's decision issued in this regard. The decision shall specify the due date and the distribution date. The entitlement to profits shall be for the shareholders registered in the shareholders' register at the end of the day specified for entitlement. The Board of Directors must implement the General Assembly's decision regarding the distribution of profits to shareholders within fifteen (15) days from the due date of these profits specified in the General Assembly's decision, or in the Board of Directors' decision to distribute interim profits (quarterly or semi-annually).</p>
<p>Article (54) : Distributing Profits of Preferred Shares</p> <p>1- If no profits are distributed for any financial year, no profits may be distributed for the following years until the percentage indicated according to Article 114 of Companies law to holder of preferred shares for this year.</p> <p>2- If the Company fails to pay this percentage of profits for three consecutive years according to provisions of Article 114 of Companies Law, the assembly of the holders of these</p>	<p>Article Forty-Three: Distribution of profits for preferred shares:</p> <ol style="list-style-type: none"> 1. If profits are not distributed for any fiscal year, profits may not be distributed for the following years except after paying the specified percentage to the owners of preferred shares for that year. 2. If the company fails to pay the specified percentage of profits for three consecutive years, the special assembly of the owners of these shares held in

<p>shares held in accordance with the provisions of Article 89 of the Companies Law may decide their attendance to the meetings of the Company's General Assembly and participating in voting or appointing representatives for them in the Board of Directors on pro rata to the value of their shares in the capital until the Company pays all priority profits for the holders of these shares for the previous years.</p>	<p>accordance with the provisions of Article (Eighty Nine) of the Companies Law, may decide either to attend the meetings of the company's general assembly and participate in voting, or to appoint representatives for them on the board of directors in proportion to the value of their shares in the capital, until the company is able to pay all the profits allocated to the owners of these shares for the previous years. Each preferred share shall have one vote at the general assembly meeting, and in this case the owner of the preferred share shall have the right to vote on all items of the agenda of the ordinary general assembly without exception.</p>
<p>Article (55) : Company Losses</p> <p>1- If the Company losses reach half of the paid-up capital at any time within financial year, any officer in the Company or Auditor, once he is aware of such fact, must notify the Chairman and in turn, the Chairman shall notify the Board members immediately. The Board shall within fifteen days to call the Extra-Ordinary General Assembly for meeting within forty-five (45) days from date of knowing losses to decide whether to increase or decrease the capital in accordance with Companies Law to the extent that losses percentage shall be decreased to less than half of paid-up capital or to Company's dissolution before its expiry as stated in Companies Law.</p>	<p>Article Forty-Four: Company Losses:</p> <p>If the losses of a joint stock company reach half of the issued capital, the Board of Directors must disclose this and the recommendations it reached regarding these losses within sixty (60) days from the date of been aware that they have reached this amount and call the Extraordinary General Assembly to meet within one hundred and eighty (180) days from the date of awareness to look in the continuation of the company and take any necessary measures to address or resolve these losses.</p>

<p>2- The Company shall be deemed expired by force of Companies Law if General Assembly didn't meet within specified period stated in Paragraph 1 of this Article, or if General Assembly was met without reaching to decision in this regard, or decided to increase Company's capital in according with conditions stated in this Article, and every increase not subscribed within ninety days from date of assembly decision to increase.</p>	
<p>Chapter (9) : Disputes</p>	<p>Chapter Seven: Disputes</p>
<p>Article (56) : Liability Case</p> <p>Each shareholder shall have the right to file a liability case, vested in the Company, against the members of the Board of Directors if the fault made by them causes damage to him provided that the Company's right in submitting the case still exists. The shareholder shall notify the Company of his intention to submit the case, and his right is limited to claim compensation incurred by him.</p> <p>The Company may shoulder incurred by the Shareholder for submitting liability case on Company whatever its results with the following terms and conditions: -</p> <p>A- If the case was submitted in good faith.</p> <p>B- If the Shareholder provided the Company with the reason of this case and didn't get any answer within thirty days.</p>	<p>Article Forty-Five: Liability Case:</p> <ol style="list-style-type: none"> 1. The company may file a liability case against the members of the Board of Directors due to violating the provisions of the Companies Law or this Bylaw or due to errors, negligence or failure to perform their work, which results in damages to the company and the General Assembly decides to file this case and appoint representative for the company in conducting the case. If the company under liquidation, the liquidator shall file the case. In the event that any liquidation procedures are opened against the company in accordance with the bankruptcy law, this case shall be filed by its legal representative. 2. One or more shareholders of the company representing (five percent) of the company's capital may file a liability case for the company if the

<p>C- If such liability case is for benefit of the Company according to Article 79 of Companies Law.</p>	<p>company does not file it, provided that the primary objective of filing the case is to achieve interests of the company, and the case is based on a valid basis and that the claimant is in good faith and a member of the company at the time of filing the case.</p> <ol style="list-style-type: none"> 3. In order to file the case referred to in paragraph (2) of this article, it is required to notify the members of the Board of Directors of the intention to file the case at least (fourteen) days before the date of filing. 4. Every shareholder has the right to file a liability case for the company against the members of the Board of Directors if the error committed by them is likely to cause him special harm.
<p>Chapter (10) The Company Dissolution and Liquidation</p>	<p>Chapter Eight: Expiry and Liquidation of the Company</p>
<p>Article (57) : Company Liquidation</p> <p>The Company shall subject to liquidation and maintain the legal entity for liquidation, by issuance the decision of voluntary liquidation by Extra-Ordinary General Assembly, such liquidation decision shall include appointing a liquidator, decide his powers and costs, restrictions on his powers, required period for liquidation, and such period shall not exceed five years and may not be extended except by judicial order. The authority of the Board shall expire by the elapse of the Company period. Despite that the Board shall continue to assume the</p>	<p>Article Forty-Six: Expiry of the Company:</p> <p>The company shall expire for one of the reasons for expiration mentioned in Article (Two Hundred and Forty Three) of the Companies Law, upon its expiration it shall enter the liquidation period, and the Board of Directors and the General Assembly shall take liquidation procedures in accordance with the provisions of the Companies Law. The company shall retain its legal personality to the extent necessary for liquidation, and the decision to appoint the liquidator shall be issued by the Extraordinary General Assembly</p>

<p>Company management until a liquidator is appointed. The Company departments shall continue to practice their tasks to the extent that their work does not contradict with competences of the liquidators.</p>	<p>within a period not exceeding sixty (60) days from the date of the expiration of the company, provided that the decision to appoint the liquidator shall include specifying his powers, fees, and restrictions imposed on him - if any - and the time period necessary for liquidation. The authority of the company's board of directors shall end upon its expiration. However, they shall remain in charge of managing the company and shall be considered, with respect to third parties, as liquidators until the liquidator is appointed. The company's assemblies shall remain in existence during the liquidation period, and their role shall be limited to exercising their powers that do not conflict with the powers of the liquidator. During the liquidation period, the shareholder shall retain the right to review the company's documents as stipulated for him in the Companies Law or this Bylaw.</p>
<p>Chapter (11) : Final Provisions</p>	<p>Chapter Nine: Final Provisions</p>
<p>Article (58)</p> <p>The Companies Law and its regulations shall be applied to all that are not mentioned in this bylaw.</p>	<p>Article Forty-Seven: Final Provisions</p> <ol style="list-style-type: none"> 1. The Company shall be subject to the regulations in force in the Kingdom of Saudi Arabia. 2. Any provision contrary of the Companies Law provisions in this Bylaw shall not be recognized and the provisions of the Companies Law shall apply thereto. Anything not provided for in this Bylaw

	shall be subject to the Companies Law and its Executive Regulations.
Article (59) This bylaw shall be deposited and published in accordance with the Companies Law and its regulations.	Article Forty-Eight: Publication This Articles shall be deposited and published in accordance with the provisions of the Companies Law and its Executive Regulations.

Item # 9

**Amending the remuneration policy
of the members of the Board of
Directors, its Committees
and
the Executive Management**

Comparison between the existing and proposed policy for remuneration and allowances of members of the Board, its Committees and Senior Executives

Existing policy	Proposed Policy
Policy Name: Remuneration policy for members of the Board of Directors, its committees and executive management	Policy Name: Remuneration and allowances policy for members of the Board of Directors, committees emanating from the Board of Directors and Senior Executives
New article	<p><u>First: Definitions</u></p> <p>The following words and expressions shall have the meanings assigned to them:</p> <p>Companies Law: issued by the Ministry of Commerce.</p> <p>Corporate Governance Regulations: issued by the Capital Market Authority.</p> <p>Bylaw: Najran Cement Company Bylaw.</p> <p>CMA : Means the Capital Market Authority.</p> <p>Market: The Saudi Stock Exchange.</p> <p>Company: Najran Cement Company.</p> <p>Board: The Board of Directors of Najran Cement Company.</p> <p>Chief Executive Officer: CEO of Najran Cement Company.</p> <p>Assembly: An assembly formed from the shareholders of Najran Cement Company in accordance with the provisions of the company's articles of association.</p> <p>Day: A calendar day whether it is a business day or not.</p>

<p>New article</p>	<p><u>Second: Preface</u></p> <p>1) This policy has been prepared in accordance with the Company's Articles of Association, Companies Law and Corporate Governance Regulations.</p> <p>2) This policy sets out the rules and standards governing the remuneration of members of the Board of Directors and the committees to ensure compliance with best practices.</p> <p>3) Without prejudice to the provisions of this policy, any provisions or regulations issued by the supervisory authorities and their implementing regulations shall apply to the company.</p> <p>4) The Companies Law and its implementing regulations issued by the Ministry of Commerce and the Corporate Governance Regulations issued by the Capital Market Authority shall be applied for all matters which are not stipulated in this policy.</p> <p>5) All materials mentioned in this policy are mandatory, except for the materials that are stated to be indicative.</p>
<p>New article</p>	<p><u>Third: The Objective of the Policy</u></p> <p>This policy aims to define a clear criteria for remuneration to attract members of the Board and its committees with scientific, technical and administrative competence with appropriate experience, enabling them to perform their duties with high professionalism and efficiency, taking into account the nature of the sector in which company operate and the skills necessary to manage them.</p>

New article

Fourth: Principles and Rules Governing Remuneration

In light of the provisions governing the remuneration of the members of the Board of Directors and its committees stipulated in the Companies Law, the Corporate Governance Regulations, the regulatory controls and procedures issued in implementation thereof, and the Company's Articles of Association, the Board of Directors, upon recommendation of the Nomination and Remuneration Committee, shall determine the remuneration and allowances policy for the members of the Board of Directors and its committees, and it shall be approved by the General Assembly of the Company in accordance with the following principles and rules:

- 1) The remuneration shall be consistent with the company's strategic objectives, and a factor to motivate the members of the Board of Directors and its committees to achieve the objectives and enhance the company's ability to grow and sustain its business.
- 2) To be appropriate to the nature of the company's business, its activities, size, and the required skills and experience.
- 3) To be a factor in attracting members of the Board of Directors and its committees with the required experience and qualifications to enhance the company's ability to achieve its objectives.
- 4) The remuneration shall be fair and proportionate to the member's terms of reference, the work and responsibilities which they undertake, in addition to the objectives set by the Board of Directors to be achieved during the year.

First: This policy applies to the members of the Board of Directors and its committees for attending the meetings of the Board and the committees and allowances for attending the meetings of the General Assemblies.

Fifth: Remuneration of the members of the Board of Directors and its committees approved by the General Assembly

Second: The company offers an annual lump sum remuneration to each member of the Board of Directors, so that the total amount of what the member receives does not exceed the amount of (500,000 riyals) annually, according to the company's articles of association.

Third: The company offers an annual remuneration to each member of the committees emanating from the board at the end of each fiscal year, so that the total remuneration received by the member for the membership of the board and the committees collectively does not exceed the amount of (500,000 riyals) annually, according to the company's articles of association. Upon the recommendation of the Nomination and Remuneration Committee, the Board shall determine the remuneration for membership of the committees.

Fourth: Members are entitled to an attendance allowance for each meeting of the Board of Directors or the committees emanating from it at the rate of (3000 riyals), whether the attendance is actual or through visual communication.

Fifth: The company secures travel tickets for the members of the Council residing outside the city of Najran on the business class, and in the event that the meeting is held in another city, the members are compensated for return tickets (round trip) according to the table below:

Jeddah - Dammam	Jeddah - Riyadh	Dammam - Riyadh
2500 SAR	2000 SR	1500 SR

The remuneration of the member of the Board of Directors and the members of the committees emanating from the Board of Directors - for their membership in the Board of Directors and committees and their participation in their work - shall be a certain amount and attendance allowance for meetings in accordance with what is approved in this policy, which is as follows:

- 1) A member of the Board of Directors shall be entitled to an annual remuneration of SAR 300,000 for his membership in the Board.
- 2) The Chairman of the Board of Directors shall be entitled to an annual remuneration of 200,000 Saudi riyals.
- 3) The Chairman of the Audit Committee is entitled to an annual remuneration of SAR 150,000 and members of the Audit Committee from inside and outside the Board are entitled to an annual remuneration of SAR 100,000.
- 4) Chairmen of committees (other than the Audit Committee) are entitled to an annual remuneration of SAR 75,000 and members of committees (other than the Audit Committee), from inside and outside the Board, are entitled to an annual remuneration of SAR 50,000.
- 5) The payment of the remuneration of the members of the Board of Directors and members of the committees shall be linked to the percentage of the member's attendance at the meetings of the Board or committees out of the total meetings held by the Board of Directors or the Committee during the relevant fiscal year or during the period of his appointment.
- 6) A member of the Board of Directors is entitled to a meeting attendance allowance of SAR 3,000 for each session of the Board of Directors or committees attended. Committee member from outside the Board also entitled to an allowance of SAR 3,000 for each session of the committees he attended.

<p>Sixth: In the case of members permanently residing outside the Kingdom of Saudi Arabia, the company is obligated to secure return tickets (round trip) on business class or compensate the member according to the actual cost of the invoice issued.</p> <p>Seventh: The company shall pay the following allowances to the members for each meeting of the Board of Directors or the meetings of the committees emanating from it:</p> <ol style="list-style-type: none"> I. Transportation allowance to and from the airport with a lump sum of (250 riyals) for one time. II. Subsistence allowance with a lump sum of (250 riyals) for each day of assignment III. Accommodation allowance with a lump sum of (1500 riyals) for each day of assignment <p>Eighth: The Chairman of the Board of Directors shall be granted a remuneration equivalent to the membership of the Board of Directors annually and up to a maximum of (200,000 riyals) in return for the chairmanship of the Board and the additional efforts made to serve the interests of the company. The company also provides a private vehicle with a driver for the Chairman of the Board during his presidency and has the right to own property after the end of his term as Chairman of the Board of Directors of the company.</p> <p>Nineth: Each member of the Board of Directors shall be granted a lump sum remuneration of a maximum of (100,000 riyals) for additional work tasks or supervision of specific consulting projects - under a professional license - that are assigned to him by the</p>	<p>7) The Company secures air tickets for board members residing outside the meeting venue in business class.</p> <p>8) In the case of members permanently residing outside the Kingdom of Saudi Arabia, the company is obligated to secure return tickets (round trip) on business class or compensate the member according to the actual cost of the invoice issued.</p> <p>9) The company shall pay the following allowances to members residing outside the meeting city for each meeting of the Board of Directors or the meetings of the committees emanating from it:</p> <ul style="list-style-type: none"> ▪ Airport transportation allowance of 250 SAR for one time. ▪ A lump sum subsistence allowance of SAR 250 for each day of assignment. ▪ Housing allowance of a lump sum of SAR 1,500 for each day of assignment. <p>10) In accordance with the Companies Law and the Corporate Governance Regulations, the Company has the right to claim compensation for damage to its reputation and recover the remuneration, compensation and any other costs incurred by the Company in the following cases:</p> <ul style="list-style-type: none"> ▪ The member commits an act that violates honor and honesty, forgery or violates the laws and regulations in the Kingdom of Saudi Arabia or in any other country. ▪ When he breaches the performance of his responsibilities, duties and duties resulting in damage to the interest of the company. ▪ If the Audit Committee or the Capital Market Authority finds that the remuneration paid to any of the members of the Board of Directors is based on incorrect or misleading information, they have been presented to the General
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<p>Board of Directors, after their completion and submission of recommendations to the Board of Directors for approval, based on a recommendation from the Nomination and Remuneration Committee, provided that each case is studied separately.</p>	<p>Assembly or included in the annual report of the Board of Directors.</p> <p>11) If the membership ends – by a decision of the General Assembly – due to the absence of a member of the Board of Directors from three consecutive meetings during one year without a legitimate excuse accepted by the Board of Directors, he shall not be entitled to any remuneration for the period following the last meeting he attended. He shall return all remuneration paid to him from that period.</p> <p>12) In the event of the resignation or dismissal of a member of the Board of Directors or a member of one of the committees, his remuneration shall be calculated according to the period spent in the membership of the Board or Committee.</p>
<p><u>First:</u> The objective of the remuneration policy is to urge senior executives to make efforts to exceed the goals set and in appreciation of their efforts and contribution to achieving the goals approved by the company's board of directors, provided that the reference comparison point for the remuneration is considered what is determined by the Nomination and Remuneration Committee based on the general performance of the company so that the reward is directly proportional to the net profit achieved by the company and is calculated as a number of basic salaries to be determined based on the overall performance.</p> <p><u>Second:</u> The reward is calculated based on the total weighted achieved from the plan approved by the Board of Directors and the approved performance indicators, according to the following table.</p>	<p><u>Sixth: Senior Executive Remuneration</u></p> <p>The remuneration of Senior Executives aims to make efforts to exceed the goals set and in recognition of their efforts and contribution to achieving the objectives approved by the Board of Directors. The Board of Directors, based on the recommendation of the Nominations and Remuneration Committee, determines the remuneration of Senior executives in accordance with the following principles:</p> <p>1) Remuneration and compensation shall be consistent with the company's strategic objectives, motivating senior executives to achieve those goals, and enhancing the company's ability to grow and sustain its business.</p> <p>2) To be appropriate to the nature of the company's business, its activity, size, skills and experience required.</p> <p>3) To enable the company to attract senior executives with the capabilities, skills and qualifications necessary to enable the company to achieve its goals.</p>

Table (1): Method of Calculating Remuneration for Senior Executives

S.No	Weighted Average Rate	Bonus amount
1	90% and above	Full bonus
2	80% and above	75% of bonus
3	70% and above	50% of bonus
4	69% and below	Discretion of the Board

Third: Evaluates senior executives (Deputy CEOs), each according to the contribution of his sector and according to the objectives set for him separately, and evaluates the CEO on all the objectives set for the company.

Fourth: The Board of Directors shall consider the financial, operational and commercial performance of the Company and shall direct the Nomination and Remuneration Committee to calculate the remuneration base accordingly.

Fifth: The Nomination and Remuneration Committee shall consider and determine the proposed remuneration base and submit recommendations to the Board of Directors of the Company for approval during the first quarter of the year following the year of entitlement.

Sixth: The Nomination and Remuneration Committee requests the company's management to prepare the final indicators of performance by the end of each year and submit them for review and approval by the committee, and the committee has the right to request any additional information it deems

4) Not to cause a conflict of interest that would negatively affect the interest of the company and its ability to achieve its objectives.

<p>appropriate or assistance from other committees to express an opinion on some indicators and the reasons for their deviation from their goals.</p> <p><u>Seventh:</u> In the event that satisfactory results are not achieved for one of the goals, the company's management must support this with justifications for the difficulties and obstacles it faced that prevented reaching the specified goal.</p> <p><u>Eighth:</u> Factors affecting the calculation of remuneration for senior executives:</p> <ol style="list-style-type: none"> I. Financial and operational performance of the company II. Employee performance based on the evaluation of the direct supervisor III. The performance of the sector headed by the employee and its subordinate units IV. The weight of the sector in contributing to the company's objectives 	
<p style="color: red; text-align: center;">New article</p>	<p><u>Seventh: Responsibility for implementing the remuneration policy</u></p> <ol style="list-style-type: none"> 1) Implementation of this policy is the responsibility of the Board of Directors. 2) The Board of Directors – through the Nomination and Remuneration Committee – periodically reviews the remuneration standards to ensure their suitability to changes that may occur in the relevant legislation and regulations, the company's strategic objectives and the skills and qualifications necessary to achieve them, and recommend to the General Assembly the proposed changes to this policy.

	<p>3) The Board of Directors shall disclose in its annual report the details of the policies related to remuneration, the mechanisms for determining them, the amounts and financial and in-kind benefits paid to each member of the Board of Directors and its committees and five senior executives, including the Chief Executive Officer and the Chief Financial Officer for any executive, technical, administrative or investment work or positions.</p> <p>4) The Board of Directors shall separate in its report to the General Assembly any additional remuneration paid to any member of the Board or its committees.</p>
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Items # 13

**Purchase of Najran Cement
Company's shares**

Independent limited assurance report on the schedule of ("Financial information") prepared in accordance with the Implementing Regulations of the Companies Law for Listed Joint Stock Companies relating to the proposed buy-back of shares.

To the Board of Directors
Najran Cement Company
(A Saudi Joint Stock Company)
Najran - Saudi Arabia

Introduction

We have engaged to issue report a limited assurance in respect of the accompanying schedule ("Financial information") of proposed buy-back of shares (the "Schedule") of Najran Cement Company (the "Company") and its subsidiary (the "Group") as at September 25, 2024, prepared in accordance with the applicable Criteria mentioned below.

Subject matter

The subject matter for our limited assurance engagement is the Schedule prepared by the management of the Group as attached to this report and submitted to us.

The applicable criteria

The criteria are the applicable requirements of Part 6, Chapter 1, Article 17.3 of the Implementing Regulations of the Companies Law for Listed Joint Stock Companies issued by the Capital Market Authority ("CMA") of the Kingdom of Saudi Arabia dated March 27, 2023 (as amended) ("the Implementing Regulations", the "Criteria").

Management's responsibility

The Group's management is responsible for:

- The preparation of the Schedule ("Financial information") in accordance with the Criteria and ensuring its completeness and accuracy;
- The design, implementation and maintenance of internal control relevant to the preparation of the schedule ("Financial information") that is free from material misstatement, whether due to fraud or error.
- The calculation of capital requirements and the sufficiency of working capital in accordance with the Criteria.

Professional ethics and quality management

We have complied with the independence requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards), endorsed in the Kingdom of Saudi Arabia (the "Code"), that is relevant to our limited assurance engagement, and we have fulfilled our other ethical responsibilities in accordance with the Code's requirements.

The firm applies International Standard on Quality Management 1 (ISQM 1), as endorsed in the Kingdom of Saudi Arabia, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our responsibility

Our responsibility is to express a limited assurance conclusion on the Schedule ("Financial information") based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised), 'Assurance Engagements Other Than Audits or Reviews of Historical Financial Information', as endorsed in the Kingdom of Saudi Arabia. This standard requires that we plan and perform this engagement to obtain limited assurance about whether anything has come to our attention that causes us to believe that the Schedule is not prepared, in all material respects, in accordance with the applicable requirements of the Implementing Regulations relating to the proposed buy-back of shares.

Najran Cement Company

Independent limited assurance report on the schedule of ("Financial information") prepared in accordance with the Implementing Regulations of the Companies Law for Listed Joint Stock Companies relating to the proposed buy-back of shares (continued)

Our responsibility (continued)

The procedures selected depend on our judgment, including the assessment of risks such as failure of systems and controls, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the Group's compliance with the requirements of the Implementing Regulations issued by CMA in the preparation of the Schedule ("Financial information"). Our procedures included examining, on a test basis, evidence supporting systems and controls in respect of the preparation of the Schedule ("Financial information") in accordance with the requirements of the Implementing Regulations.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

Summary of work performed

We planned and performed the following procedures to obtain limited assurance over the Group's compliance with the requirements of the Implementing Regulations issued by CMA in the preparation of the Schedule ("Financial information") related to compliance with Article 17(3), Part 6, Chapter 1 of the Implementing Regulations of the Companies Law for Listed Joint Stock Companies in the Capital Market issued by the Capital Market Authority Board for Compliance with the Solvency Requirements:

- 1- Obtaining the Board of Directors' Resolution No. (09-2024) dated 22 Rabi' Al-Awwal 1446 corresponding to 25 September 2024 regarding the Board's recommendation to the Extraordinary General Assembly to buy 17 million of its shares and keep them as treasury shares for a period of ten years from the date of approval of the Extraordinary General Assembly, due to the decrease in the Group's share price in the market comparing with its fair value, also the following data was approved:
 - The Proposed date of share buy-back, 30 September 2024.
 - The estimated cost of purchasing 17 million shares is SAR 153 million.
 - Expected working capital balance as at 30 September 2025 (for 12 months immediately after the proposed date of share buy-back on 30 September 2024) will be SAR 266 million.
- 2- Obtaining the schedule ("financial information") as at 25 September 2024, which shows the details of the Group's business and accounts that support the requirements specified in the Implementing Regulations related to the buy-back of the proposed shares.
 - 2-1 With respect to section (A) of the Schedule:
 - Obtain from management a statement of the Group's expected working capital (calculated through deducting current liabilities from current assets) for a period of 12 months after the proposed date of share buyback on 30 September 2024, supporting schedule data as well as verification of relevant approvals.
 - Matching the statement containing the Group's expected working capital for 12 months immediately after the proposed date of share buyback on 30 September 2024, with the supporting schedule data.
 - Verifying the calculation of the statement containing the Group's expected working capital for a period of 12 months immediately after the proposed date of share buyback on 30 September 2024.
 - 2.2 With respect to section (B) of the Schedule:
 - Obtaining the average market price of the Group share at the date of the limited confirmation report through the Saudi Stock Trading platform to estimate the cost of share buyback.
 - Matching the data received from the Group which includes the balances of total assets, total liabilities and total contingent liabilities with the Group's financial statements for the period ended 30 June 2024 (the Group's condensed interim consolidated financial statements - unaudited).
 - Verifying the calculation of net surplus assets (represented by the balance of net assets after deducting both total liabilities and contingent liabilities in addition to the cost of repurchase of proposed shares).
 - 2-3 With respect to section (C) of the Schedule:
 - Matching the data received from the Group, which includes the balance of the Group's retained earnings, with the balance in the financial statements for the period ended 30 June 2024 as shown in the schedule with the unaudited interim condensed consolidated financial statements as at 30 June 2024.
 - Verifying the calculation of the surplus balance of the Group's retained earnings account as at 30 June 2024 after deducting the balance of treasury shares after the share buy-back as shown in the schedule.

Nairan Cement Company

Independent limited assurance report on the schedule of ("Financial information") prepared in accordance with the Implementing Regulations of the Companies Law for Listed Joint Stock Companies relating to the proposed buy-back of shares (continued)

Inherent limitations

Our procedures are subject to inherent limitations and, accordingly, errors or irregularities may occur and not be detected.

Moreover, given the announcement requirements by the CMA, our report is issued before the expected date of the proposed buy-back of shares. As a result, the share price of the Group on the actual date of execution of the proposed buy-back of shares transaction may be substantially different from the share price used in arriving at the estimated purchase cost of the proposed buy-back of shares transaction in the Schedule as at the date prepared by the management and accompanying our limited assurance report. Further, the working capital following the proposed buy-back of shares transaction may also differ significantly from the calculation made by management and reflected in the Schedule.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement under ISAE 3000 (Revised), as endorsed in the Kingdom of Saudi Arabia. Consequently, the nature, timing and extent of the procedures outlined above for gathering sufficient appropriate evidence were deliberately limited relative to a reasonable assurance engagement, and therefore less assurance is obtained with a limited assurance engagement than for a reasonable assurance engagement.

Our procedures did not constitute either an audit or a review made in accordance with International Standards on Auditing or International Standards on Review Engagements, as endorsed in the Kingdom of Saudi Arabia, and accordingly we do not express an audit opinion or a review conclusion in relation to the adequacy of systems and controls. Furthermore, our procedures did not include testing or assessing any forward-looking statements or other information.

This conclusion relates only to the schedule (“Financial information”) as at 25 September 2024, and should not be believed to provide assurance of any future dates or periods, as changes to regulations and control may affect the validity of our conclusion. We assume no responsibility for updating this report with events and circumstances occurring after the date of this report.

Limited assurance conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the accompanying Schedule ("Financial information") as at September 25, 2024 is not prepared, in all material respects, in accordance with the applicable requirements of the Implementing Regulations relating to the proposed buy-back of shares.

Emphasis of matter

We draw attention to the Schedule (“Financial information”) which states that the amounts of surplus assets and surplus retained earnings presented in sections B and section C of the Schedule are calculated based on the unaudited interim condensed consolidated financial statements of the Group as at June 30, 2024. Further, the working capitals presented in section A of the schedule (“Financial information”) is determined based on the budget and forecast of unaudited information, our conclusion is not modified in respect of this matter.

Restriction of use

This report, including our conclusion, has been prepared solely upon the request of the management of the Group, to assist the Group in fulfilling its reporting obligations to the CMA in accordance with the Implementing Regulations. The report should not be used for any other purpose or published except as permitted under the terms of our agreement. To the fullest extent permitted by law, we do not accept or assume responsibility to any third party.

For BDO - Dr. Mohamed Al-Amri & Co
Certified Public Accountants

Maher Alkhatieb
License No. 514



Jeddah on: 12/04/1446
Corresponding to: 15/10/2024

Section (A)
Najran Cement Company
(Saudi Joint Stock Company)

A statement of the financial information prepared by the Group in relation to the solvency requirements in accordance with Article 17(3), Part 6, Chapter 1 of the Implementing Bylaws of the Companies Law for Joint Stock Companies Listed on the Capital Market issued by the Board of the Capital Market Authority for Compliance with the Solvency Requirements:

A- Working Capital Adequacy:

The proposed date for share buyback is September 30, 2024

Expected working capital as of 30 September 2025 (i.e. 12 months after the proposed date of the share buy-back transaction)

Working Capital as of 30 September 2025 (Expected)

Amount in Saudi Riyals

266,229,697

B- Summary of assets and liabilities as at 30 June 2024 (Consolidated Financial Statements - Unaudited)

Total assets as at 30 June 2024

Total liabilities as at 30 June 2024

Total Contingent liabilities as at 30 June 2024

Net Assets as at 30 June 2024

Amount in Saudi Riyals

2,512,690,280

(481,873,280)

(13,105,000)

2,017,712,000

Estimated cost of treasury shares to be purchased

Maximum number of shares buy-back is (17,000,000) shares

Total estimated cost of treasury shares buy-back

Net assets after shares buy-back

(153,000,000)

1,864,712,000

C. Surplus balance of retained earnings after share buy-back

Retained earnings as at 30 June 2024

Estimated cost of treasury shares buy-back

Retained earnings surplus after shares buy-back

Amount in Saudi Riyals

167,197,000

(153,000,000)

14,197,000

Chief Financial Officer



Rami Abu Junaid

Board Member & Chief Executive Officer



Abdulsalam Abdullah Aldraibi