

Articles Proposed to be Amended from

The Article of Association of Saudi Advanced Industries Company, (SAIC)

Article before Amendment	Article after Amendment
<p><u>Article (3): Company's Purposes:</u></p> <p>The Company practices and implements the following purposes:</p> <ol style="list-style-type: none"> 1. To invest in the petrochemical industries sector, the glass industries sector, the industrial services sector, the services sector and financial investments; 2. To invest in education, health, food industries, telecommunications, information technology, tablet and smart phone applications, artificial intelligence technologies, clean energy and associated industries, and to invest in venture capital funds and hedging, and invest in energy services and fueling; 3. To buy and sell securities; 4. To own real estate, construct buildings and warehouses necessary for preserving and storing the products of industrial projects, and exhibitions necessary for displaying them and for other purposes that need to be used in the realization of their purposes; 5. To transport advanced industrial technology to the Kingdom of Saudi Arabia in particular and to the Arab region in general, through participating in the economic balance program and other industrial projects; 6. To contribute to expanding the Kingdom's export base by exporting the Kingdom's manufactured products to other countries; 7. To contribute to diversifying the sources of national income by developing large industries by taking advantage of the comparative advantages that are available in the Kingdom; 8. To achieve a higher degree of self-sufficiency and contribute to raising the degree of economic 	<p><u>Article (3): Company's Purposes:</u></p> <p>The Company practices and implements the following purposes:</p> <ol style="list-style-type: none"> 1. To manage its subsidiaries or participate in the management of other companies in which it shares and provide thereof with the necessary support; 2. To invest its money in stocks and other securities; 3. To own the real estate and movables necessary to conduct its activity; 4. To provide loans, guarantees and financing to its subsidiaries; 5. To possess industrial property rights such as patents, trademarks, industrial trademarks, concession rights and other intangible rights, and use and lease them to its subsidiary companies or to others; 6. To invest in the petrochemical industries sector, the glass industries sector, the industrial services sector, the services sector and financial investments; 7. To invest in education, health, food industries, telecommunications, information technology, tablet and smart phone applications, artificial intelligence technologies, clean energy and associated industries, and to invest in venture capital funds and hedging, and invest in energy services and fueling; 8. To own real estate, construct buildings and warehouses necessary for preserving and storing the products of industrial projects, and exhibitions necessary for

independence in the areas of consumption, production and technical industrial services;

9. To contribute to highlighting, confirming, consolidating and developing the self-capabilities of the Kingdom of Saudi Arabia, achieving integration between the productive sectors and their Saudization along with working to reduce the degree of depending on the import sector;
10. To enhance industrial and technical cooperation between the countries of the Gulf Cooperation Council and with Arab countries in general;
11. To achieve the maximum possible returns on the economic resources that it invests, so that it contributes to achieving positive development of national income and a reasonable return on invested capital;
12. To establish advanced industries in the fields of electronic, engineering, mechanical, and complementary industries, and providing support and technical and advisory services to these industries to confirm their success and ensure the continuity of their technical development;
13. To establish companies of all kinds to implement their industrial or service projects and assist in their implementation or management;
14. To manage factories and developing self-management capabilities to serve the national industrial sector in general;
15. To acquire industrial technology through purchase and cooperation with its owners or developers;
16. To establish projects to develop the capacity for industrial maintenance and industrial inspection to serve the Company's industrial projects and industrial projects in the Arab region;
17. To develop industries producing spare parts, parts, machinery and capital equipment;
18. To develop self-industrial technology in the possible areas by virtue of strengthening the capacity for research and development hand in hand with

displaying them and for other purposes that need to be used in the realization of their purposes;

9. To establish companies of all kinds to implement their industrial or service projects and to assist in their implementation or management;
10. Any other legitimate purpose consistent with the nature and activity of the Company;

The Company carries out its activities according to the followed regulations and after obtaining the necessary licenses from the competent authorities, if any.

<p>encouraging the talents of innovation and invention and establishment of specialized research and development laboratories;</p> <p>19. To establish industries that are horizontally or vertically complementary to their industry or other local industries by participating in and contributing to them with other companies and institutions or with individuals or alone;</p> <p>20. To develop local raw material sources alone or in cooperation with different productive sectors;</p> <p>21. To cooperate with the local commercial sector and work to meet its requirements and support its activity so as to serve the local markets and win foreign markets;</p> <p>The Company carries out its activities according to the applicable regulations and after obtaining the necessary licenses from the competent authorities, if any.</p>	
<p><u>Article (40): Formation of the Committee:</u></p> <p>The Audit Committee is formed by a resolution of the Company's Ordinary General Assembly consisting of three members who are not members of the Executive Board of Directors, whether from the shareholders or others. The resolution shall specify the duties of the committee, its work controls, and the remuneration of its members.</p>	<p><u>Article (40): Formation of the Committee:</u></p> <p>The Audit Committee is formed by a resolution of the Company's Ordinary General Assembly based on the proposal of the Board of Directors from other than the Board executive members, whether from the shareholders or from others. The resolution shall specify the duties of the committee, its work controls, and the remuneration of its members, provided that there is at least one independent member among those members and that the number of its members is not less than three and not more than five for a period not exceeding the term of the Board's membership, and that among them is a specialist in financial and accounting affairs.</p>
<p><u>Article (48): Profit Distribution:</u></p> <p>The annual net profits of the Company are distributed as follows:</p> <p>1- A 10% of the net profits shall be set aside to form the statutory reserve of the Company. The Ordinary General Assembly may decide to stop this deduction when the aforementioned reserve reaches (30%) of the paid-up</p>	<p><u>Article (48): Profit Distribution:</u></p> <p>The annual net profits of the Company are distributed as follows:</p> <p>1- A 10% of the net profits shall be set aside to form the statutory reserve of the Company. The Ordinary General Assembly may decide to stop this deduction when the aforementioned reserve reaches (30%) of the paid-up</p>

capital.

- 2- The Ordinary General Assembly, based on the proposal of the Board of Directors, may set aside (10%) of the net profits to form a consensual reserve to be allocated for the benefit of the Company.
- 3- The Ordinary General Assembly may decide to create other reserves, to the extent that it serves the interest of the Company or ensures that fixed profits are distributed as much as possible to the shareholders. The aforesaid Assembly may also deduct from the net profits amounts to establish social institutions for the Company's employees or to assist what may exist from these institutions.
- 4- Subject to the provisions stipulated in Article (22) of this Articles of Association and Article (76) of the Companies Law, if the remuneration of the members of the Board of Directors is a certain percentage of the Company's profits, this percentage may not exceed (10%) of the net profits after deducting the reserves determined by the General Assembly of the Company and after distributing a profit of no less than (5%) of the Company's paid-up capital, provided that the entitlements to this remuneration is proportional to the number of sessions attended by the member and does not exceed the amount of 500 thousand riyals for the financial year.

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

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- 4- From the remainder after that, a percentage of not less than (3%) of the Company's paid-up capital shall be distributed to the shareholders.
- 5- Subject to the provisions stipulated in Article (22) of this Articles of Association and Article (76) of the Companies Law, if the remuneration of the members of the Board of Directors is a certain percentage of the Company's profits, this percentage may not exceed (10%) of the net profits after deducting the reserves determined by the General Assembly of the Company, provided that the entitlements to this remuneration is proportional to the number of sessions attended by the member and does not exceed the amount of 500 thousand riyals for the financial year.
- 6- The Company may distribute interim profits to its shareholders semi-annually or quarterly after fulfilling the controls and requirements issued by the Capital Market Authority.