

National Agricultural Development Company (NADEC)

Saudi Joint Stock Company – C.R.1010018795



NADEC Bylaws			
	Article before update	Article after update	Clarification
1	<p>Article (4) Company's Objectives</p> <p>(Section): Administrative and Support Services.</p> <p>(Category): Packaging and Packing Activities.</p>	<p>Article (4) Company's Objectives</p> <p>(Section): Administrative and Support Services.</p> <p>(Category): Packaging and Packing Activities.</p> <p>(Category): Integrated office administrative services activities.</p>	<p>The proposed amendment consists of adding a new activity ISIC4 No. <u>(821100) Integrated administrative services for offices</u> in NADEC's CR, to ensure compliance with the nature of business.</p>
2	<p>Article (4) Company's Objectives</p> <p>(681021) Management and leasing of owned or leased residential properties.</p> <p>(681022) Management and leasing of owned or leased non-residential properties.</p>	<p>_____</p>	<p>A mandatory amendment involves deleting two activities ISIC4 No. (681021) and (681022) from NADEC's CR, in accordance with the directives of the Ministry of Commerce, which state: "We would like to inform you that, based on updates from the Ministry of Commerce regulations, this activities will be automatically deleted."</p>

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3	<p>Article (6): Participation and Ownership in Companies</p> <p>The company may incorporate companies on its own with Limited Liability, or Closed Joint-Stock or Simplified Joint-Stock in accordance with the Companies Law. It may also own shares in other existing companies or merge with them. It has the right to participate with others in establishing Limited Liability companies, Closed Joint-Stock or Simplified Joint-Stock, whether these companies are national, mixed or foreign entities, and whether inside or outside the Kingdom of Saudi Arabia, in accordance with fulfilling applicable regulations and instructions.</p>	The proposed amendment consists of adding an article that was stipulated in the By Laws dated 23/08/2020, prior to the alignment with the new Companies law.	
4	<p>Article (11) Transfer of Shares</p> <p>The Company's shares shall be traded in accordance with the provisions of Capital Market Law and its implementing regulations.</p>	<p>Article (12) Transfer of Shares</p> <p>The company's shares shall be traded on the stock market in accordance with the provisions of Capital Market Law and its implementing regulations.</p>	Improving the wording.

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<p>Article (12) The Company's Purchase, Sale and Pledge of its Shares</p> <p>3- The Company may purchase its shares for the purpose of allocating them to its employees under an employee shares program, and the Company shall fulfill the other requirements related to the purchase of its shares and the conditions set by the Capital Market Authority for this purpose.</p>	<p>Article (13) The Company's Purchase, Sale and Pledge of its Shares</p> <p>3- The Company may purchase its shares for the purpose of allocating them to its employees as part of employee share ownership plans, and the Company shall fulfill the other requirements related to the purchase of its shares and the conditions set by the Capital Market Authority for this purpose. The General Assembly authorizes tasking the Board of Directors with setting the provisions of said plan, when the Extraordinary General Assembly approves the activation of the said plan, including the allocation price for each share offered to employees if offered for consideration.</p>	<p><u>The amendments are as follows:</u></p> <p>1- The proposed amendment consists of adding the permissive text contained in paragraph (2) of (Article 29: Shares Allocated to Employees) of the Executive Regulations of the Private Companies Law for listed joint stock companies, in order to complete the Article in case of its activation whenever necessary, in accordance with NADEC's policies and regulations.</p> <p>2- Spelling correction in in paragraph (5) from Arabic version AoA.</p>

5

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6	<p>Article (16) Management of the Company</p> <p>a) The Company shall be managed by a Board of Directors composed of seven (7) natural persons, elected by the Ordinary General Assembly of shareholders for a term not exceeding four (4) years.</p>	<p>Article (17) Management of the Company</p> <p>a) The Company shall be managed by a Board of Directors composed of seven (9) natural persons, elected by the Ordinary General Assembly of shareholders for a term not exceeding four (4) years.</p>	<p>The proposed amendment is to increase the number of board members from seven (7) to nine (9), according to prior announcements published on Tadawul.</p>
7	<p>Article (17) Termination or Expiry of Board Membership</p> <p>1- Membership of a Board member expires upon the expiry of the Board's term, resignation, death or if a member becomes unfit for membership according to any law or instructions applicable in the Kingdom of Saudi Arabia. However, the Ordinary General Assembly may, at any time, dismiss all or some of the Board members. A Board member may resign, provided that this takes place at an appropriate time, otherwise such member shall be liable to the Company for the damage caused by such resignation.</p>	<p>Article (18) Termination or Expiry of Board Membership</p> <p>1. Unless the members of the Board of Directors are re-elected, Membership of a Board member terminates upon the expiration of their term or the expiration of their eligibility in accordance with any applicable regulations or instructions in the Kingdom. The General Assembly may (upon the recommendation of the Board of Directors) terminate the membership of any member who is absent from three consecutive meetings or five separate meetings during their term without a legitimate excuse accepted by the Board of Directors.</p>	<p>The amendments are as follows:</p> <p>1- The red text indicates mandatory amendments that merge and reword the previous text without changing its meaning, in line with updates from the Ministry of Commerce (MoC) and the Saudi Business Center (SBC).</p> <p>2- The proposed amendment is to add the text "<u>unless the members of</u></p>

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<p>2- The General Assembly may, based on the recommendation of the Board of Directors, terminate the membership of any member who fails to attend three (3) consecutive meetings of the Board or five (5) non-consecutive meetings during his membership period without a legitimate excuse accepted by the Board. However, the Ordinary General Assembly may remove all or some of the members of the Board of Directors, and in this case the Ordinary General Assembly must elect a new Board of Directors or someone to replace the removed member (as the case may be) in accordance with the provisions of the Companies Law.</p>	<p>2. The Ordinary General Assembly may, at any time, dismiss all or some members of the Board of Directors. A member of the Board of Directors may resign, provided that this is done at an appropriate time; otherwise, they shall be liable to the company for any damages resulting from their resignation. However, the Ordinary General Assembly may remove all or some of the members of the Board of Directors, and in this case the Ordinary General Assembly must elect a new Board of Directors or someone to replace the removed member (as the case may be) in accordance with the provisions of the Companies Law.</p>	<p><u>the board of directors are re-elected</u>” in accordance with Article (68) Election of Board Members of the Companies Law and Article (17) Appointment of Board Members of the Corporate Governance Regulations, in accordance with NADEC’s policies.</p>
<p>8 Article (19) Remuneration of the Board Members:</p> <p>1. The remuneration of the Board of Directors shall consist of a fixed amount or as determined by the Ordinary General Assembly.</p>	<p>Article (20) Remuneration of the Board Members:</p> <p>The Board of Directors' remuneration may consist of a fixed amount, an allowance for attending meetings, in-kind benefits, and a percentage of the net profit, provided that the provisions of the Companies Law and its executive regulations are taken into account when determining the remuneration.</p>	<p>The red text indicates mandatory amendments rewording the text without changing its meaning, in line with updates from the Ministry of Commerce (MoC) and the Saudi Business Center (SBC).</p>

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<p>9</p> <p>Article (32) Quorum of the Ordinary General Assembly</p> <p>The General Assembly shall not be valid unless it is attended by shareholders representing at least a quarter of the Company's voting shares. If the quorum is not met, one of the two options shall be adopted:</p> <ol style="list-style-type: none"> Another meeting shall be called to order after one hour of the end of the period set for the first meeting, provided that the invitation of the first meeting included the possibility of holding such a meeting. An invitation shall be made for another meeting to be held within thirty (30) days after the previous meeting and this invitation shall be published in accordance with Article (91) of the Companies Law. In any case, the second meeting shall be valid regardless of the number of shares represented therein. 	<p>Article (33) Quorum of the Ordinary General Assembly Meetings</p> <p>The General Assembly shall not be valid unless it is attended by shareholders representing at least a quarter of the Company's voting shares. If the quorum required for an ordinary general assembly meeting is not satisfied, one of the two options shall be adopted:</p> <ol style="list-style-type: none"> Another meeting shall be held one hour after the end of the period set for the first meeting, provided that the invitation for the first meeting provides for the possibility of holding such meeting. An invitation shall be called for a second meeting to be held within thirty (30) days after the first meeting and this invitation shall be held under the same conditions stipulated in Article (91) of the Companies Law. In all cases, the second meeting shall be deemed valid regardless of the number of voting shares represented therein. 	<p>Improving the wording in accordance with the Companies law.</p>

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<p>10 Article (33) Quorum of the Extraordinary General Assembly:</p> <p>The Extraordinary General Assembly shall not be valid unless it is attended by shareholders representing at least half of the Company's voting shares. If the quorum is not met, one of the two options shall be adopted:</p> <ol style="list-style-type: none"> Another Extraordinary General Assembly shall be called after one hour of the end of the period set for the first Extraordinary General Assembly, provided that the invitation of the first Extraordinary General Assembly included the possibility of holding this meeting. An invitation shall be made for another Extraordinary General Assembly to be held on the same conditions as set out in Article (91) of the Companies Law. <p>In any case, the second Extraordinary General Assembly shall be valid if attended by shareholders representing at least one-quarter of the voting shares. If this quorum is not met, a third Extraordinary General Assembly shall be called under the same</p>	<p>Article (34) Quorum of the Extraordinary General Assembly:</p> <p>The Extraordinary General Assembly shall not be valid unless it is attended by shareholders representing at least half of the Company's voting shares. If the quorum required for an extraordinary general assembly meeting is not satisfied, one of the two options shall be adopted:</p> <ol style="list-style-type: none"> Another meeting shall be held one hour after the end of the period set for the first meeting, provided that the invitation for the first meeting provides for the possibility of holding this meeting. An invitation shall be called for a second meeting to be held under the same conditions stipulated in Article (91) of the Companies Law. In all cases, the second meeting shall be deemed valid if attended by shareholders who represent at least a quarter of the Company's voting shares. If the quorum required for the second meeting is not satisfied, a call shall be made for a third meeting to be held under the same conditions stipulated in Article (91) of the 	<p>Improving the wording in accordance with the Companies law.</p>

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conditions stated in Article (91) of the Companies Law. The third meeting shall be valid regardless of the number of voting shares represented therein.	Companies Law. The third meeting shall be deemed valid regardless of the number of voting shares represented therein.	
Article (36) Preparation of the General Assembly's Minutes: The minutes shall be written for the meeting which will include the number of shareholders attending or represented by proxy, the number of shares they hold in their personal capacity or by proxy, the number of votes they are entitled to, the resolutions adopted and the number of votes for or against them and a sufficient summary of the deliberations which has taken place in the meeting. After each meeting, minutes shall be regularly recorded in a special register to be signed by the chairman of the meeting, the secretary, and votes collector.	—————	The mandatory amendment consists of deleting the repetition and duplication of this Article with Article (30) in the Arabic Version. The deletion in the Arabic AoA only.
Article (40): 1- The Company's fiscal year shall start on January 1 and end on December 31 of each Gregorian year. 2- A separate budget is prepared for the transitional period resulting from the adjustment of the fiscal year.	Article (40): Fiscal Year 1- The Company's fiscal year shall start on January 1 and end on December 31 of each Gregorian year.	<u>The amendments are as follows:</u> 1- attempts to add a title to the article, as possible, in accordance with the templates of the Ministry of

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		<p>Commerce and the Saudi Business Center (SBC) platform.</p> <p>2- Mandatory deletion of the second paragraph in the Arabic version to line with updates from the Ministry of Commerce and the Saudi Business Center (SBC) due it no longer serves its purpose anymore.</p>
<p>13 Article (42) Dividend Distribution and Formation of Reserves:</p> <p>4- Without prejudice to the terms of Article (20) hereof and the Companies' Law and its implementing regulations, a certain percentage of the remaining amount may be allocated to the remuneration of the Board, provided that the eligibility for such remuneration shall be in proportion with the number of meetings attended by the member.</p>	<p>Article (42) Dividend Distribution and Formation of Reserves:</p> <p>4- Without prejudice to the terms of Article (19) hereof and the Companies' Law and its implementing regulations, a certain percentage of the remaining amount may be allocated to the remuneration of the Board, provided that the eligibility for such remuneration shall be in proportion with the number of meetings attended by the member, and in accordance with the</p>	<p><u>The amendments are as follows:</u></p> <p>1- Reference correction.</p> <p>2- To be consistent with the current governance policies previously approved by the GA; "Regulations of the Nomination and Remuneration Committee" and "Remuneration Policy for Members of the Board of</p>

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	provisions of the relevant regulations and policies approved by the General Assembly.	Directors and its Committees.”
14 Article (51) Language: These Bylaws have been approved in both languages . In case of discrepancy, the Arabic text shall prevail.	Article (51) Language: This Articles of Association has been approved in Arabic and accompanied its translation into English language. In the event of any conflict or inconsistency , the Arabic version shall prevail.	Improving the wording in accordance with the Companies Law .

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