



Amendment of the company's articles of association included the following articles:

M	Amended Articles (Article Number according to the current system)	M	Amended Articles (Article Number according to the current system)	M	Amended Articles (Article Number according to the current system)
1	Article (2): Company Name	15	Article (23): Meetings of the Council.	28	Article (38): Presidency of Associations and Preparation of Minutes
2	Article (3): Business and Purposes of the Company	16	Article (24): Quorum of the Board meeting.	29	Article (39): Formation of the Audit Committee.
4	Article (4): Participation and Ownership in Companies	17	Article (25): Deliberations of the Council.	30	Article (40): Quorum for the meeting of the Committee. (Audit Committee)
5	Article (7): Company Capital	18	Article (26): Conflict of Interest.	31	Article (41): Competences of the Committee. (Audit Committee)
6	Article (12): Trading of Shares (and Shareholders' Register)	19	Article (28): Attendance at assemblies.	32	Article (42): Reports of the Committee. (Audit Committee)
7	Article (14): Capital Increase	20	Article (29): Competences of the Ordinary General Assembly	33	Article (43): Appointment of the auditor.
8	Article (16): Purchase and Mortgage of the Company's Shares	21	Article (31): Invitation to Assemblies.	34	Article (44): Powers and responsibilities of the auditor.
9	Article (17): Company Management	22	Article (32): Attendance record of associations.	35	Article (45): Fiscal Year.
10	Article (18): Termination of the membership of the Council	23	Article (33): Quorum of the Ordinary General Assembly Meeting.	36	Article (46): Financial Documents.
11	Article (19): Vacant position in the Council.	24	Article (34): Quorum for the Extraordinary General Assembly Meeting.	37	Article (47): Distribution of Dividends
12	Article (20) Powers of the Board.	25	Article (35): Voting in assemblies.	38	Article (50): Interim Profits. (Distribution and entitlement of interim dividends)
13	Article (21): Remuneration of Board Members.	26	Article (36): Resolutions of Associations		
14	Article (22): Powers of the President, Deputy, Managing Director and Secretary	27	Article (37): Discussion in Assemblies		

M	Deleted Materials (Article Number according to the current system)	M	New Articles
1	Article (8): Subscription to Shares	1	Debt Instruments and Financing Sukuk (Article 15)
2	Article (13): Register of Shareholders	2	Board Committees (Article 38)



Current system	Proposed system	Procedure
<p>Part One - Incorporation of the Company</p> <p>Article (1): Incorporation</p> <p>A Saudi joint stock company was established in accordance with the provisions of the Companies Law and its Regulations in accordance with the following:</p>	<p>Part One - Incorporation of the Company</p> <p>Article (1): Incorporation</p> <p>A Saudi joint stock company was established in accordance with the provisions of the Companies Law and its Regulations in accordance with the following:</p>	No modification
<p>Article (2): Company Name</p> <p>Jazan Energy and Development Company "JAZADCO" (Listed Joint Stock Company).</p>	<p>Article (2): Company Name</p> <p>Jazan Development and Investment Company "JAZADCO" (Listed Joint Stock Company).</p>	Company name has been modified



Current system	Proposed system	Procedure
<p>Article (3): Business and Purposes of the Company</p> <p>The company carries out the following tasks and works:</p> <ol style="list-style-type: none"> 1- Owning and reclamation of agricultural land for the purpose of exploiting it in the establishment of agricultural projects and the practice of drilling wells. 2- Establishing agricultural projects, both plant and animal. 3- Breeding and fattening sheep and calves, producing broiler and laying hens, establishing fish farms and practicing fishing. 4- Establishment of agricultural nurseries and production of fruit seedlings, forest, ornamental, aromatic and medicinal trees. 5- Manufacture of agricultural, animal, plant and fish products and their derivatives. 6- Obtaining commercial agencies and wholesale and retail trade in agricultural and industrial materials, machinery, supplies and energy fields of all kinds. 7- Work in the field of agricultural marketing of agricultural, plant, animal, fish and their derivatives and industrial derivatives. 8- Buying land to establish buildings on it and investing these buildings by sale or rent for the benefit of the company. 9- Maintenance and development of the property. 10- Establishing, managing, maintaining and operating industrial projects. 	<p>Article (3): Business and Purposes of the Company</p> <p>The company carries out the following tasks and works:</p> <ol style="list-style-type: none"> 1- Owning and reclamation of agricultural land for the purpose of exploiting it in the establishment of agricultural projects and the practice of drilling wells. 2- Establishing agricultural projects, both plant and animal. 3- Breeding and fattening sheep and calves, producing broiler and laying hens, establishing fish farms and practicing fishing. 4- Establishment of agricultural nurseries and production of fruit seedlings, forest, ornamental, aromatic and medicinal trees. 5- Manufacture of agricultural, animal, plant and fish products and their derivatives. 6- Obtaining commercial agencies and wholesale and retail trade in agricultural and industrial materials, machinery, supplies and energy fields of all kinds. 7- Work in the field of agricultural marketing of agricultural, plant, animal, fish and their derivatives and industrial derivatives. 8- Buying land to establish buildings on it and investing these buildings by sale or rent for the benefit of the company. 9- Maintenance and development of the property. 10- Establishing, managing, maintaining and operating industrial projects. 	<p>Modified by adding new activities</p>

Platform Amendments

Delete 

Add 

<p>11- Wholesale and retail trade in foodstuffs, tools, industrial tools, building materials, electrical, mechanical and electronic tools and devices.</p> <p>12- Transport services (transport of all kinds - air, sea and railway, pipes and support services for all transport routes).</p> <p>13- Owning, managing, operating and developing tourist centers, hotels, tourist resorts, restaurants, rest houses, residential complexes, apartments and furnished housing units or renting them to others for the benefit of the company or renting them from others.</p> <p>14- Leasing and leasing services (related to ships, aircraft and other means of transport, machinery and other equipment, leasing and leasing services for household goods).</p> <p>15- Investment Excellence.</p> <p>16- Environmental services.</p> <p>17- Energy services, production and everything related to them.</p> <p>18- Water desalination services and everything related to them.</p> <p>19- Investment in the field of mining, selling, importing and exporting mining products of various kinds.</p> <p>20- Operation, maintenance and management of roads, buildings and real estate and industrial projects.</p> <p>21- Maintenance, cleaning, operation, subsistence, security guards and transportation of waste of various kinds industrial, civil, medical and foodstuffs.</p> <p>22- Import, export and production of lubricants, greases, radiator cooling water and related products.</p> <p>23- Investment in the production of electricity from solar, wind or hydro energy and related matters.</p> <p>24- Commercial agencies and marketing services for others.</p>	<p>11- Wholesale and retail trade in foodstuffs, tools, industrial tools, building materials, tools - electrical, mechanical and electronic devices.</p> <p>12- Transport services (transport of all kinds - air, sea and railway, pipes and support services for all transport routes).</p> <p>13- Owning, managing, operating and developing tourist centers, hotels, tourist resorts, restaurants, rest houses, residential complexes, apartments and furnished housing units or renting them to others for the benefit of the company or renting them from others.</p> <p>14- Leasing and leasing services (related to ships, aircraft and other means of transport, machinery and other equipment, leasing and leasing services for household goods).</p> <p>15- Investment Excellence.</p> <p>16- Environmental services.</p> <p>17- Energy services, production and everything related to them.</p> <p>18- Water desalination services and everything related to them.</p> <p>19- Investment in the field of mining, selling, importing and exporting mining products of various kinds.</p> <p>20- Operation, maintenance and management of roads, buildings and real estate and industrial projects.</p> <p>21- Maintenance, cleaning, operation, subsistence, security guards and transportation of waste of various kinds industrial, civil, medical and foodstuffs.</p> <p>22- Import, export and production of lubricants, greases, radiator cooling water and related products.</p> <p>23- Investment in the production of electricity from solar, wind or hydro energy and related matters.</p> <p>24- Commercial agencies and marketing services for others.</p>	
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Current system	Proposed system	Procedure
<p>25- Travel and tourism agencies and advertising</p> <p>26- Trade, import and export, transportation, dry and refrigerated storage for the benefit of the company or others.</p> <p>The company carries out its activities in accordance with the applicable regulations and after obtaining the necessary licenses from the competent authorities, if any.</p>	<p>25- Travel and tourism agencies and advertising</p> <p>26- Trade, import and export, transportation, dry and refrigerated storage for the benefit of the company or others.</p> <p>27- E-commerce.</p> <p>28- Production, canning, packaging, marketing and distribution of foodstuffs, fruits, vegetables, shrimp products, frozen fish and processed.</p>	
	<p>29- Real estate development and investment activity and land division.</p> <p>The company carries out its activities in accordance with the applicable regulations and after obtaining the necessary licenses from the competent authorities, if any.</p>	
<p>Article (4): Participation and Ownership in Companies</p> <p>The company may establish companies alone (limited liability or closed shareholding) provided that the capital is not less than (5) million riyals and it may also own shares and shares in other existing companies or merge with them and has the right to participate with others in the establishment of joint stock or limited liability companies , after fulfilling the requirements of the regulations and instructions followed in this regard. The company may also dispose of such shares or shares, provided that this does not include brokerage in their trading.</p>	<p>Article (4): Participation and Ownership in Companies</p> <p>The company may establish companies alone inside or outside the Kingdom of Saudi Arabia, and it may also own shares and shares in other existing companies or merge with them and has the right to participate with others in the establishment of companies, after fulfilling the requirements of the regulations and instructions followed in this regard.</p> <p>The company may also dispose of such shares or shares, provided that this does not include brokerage in their trading.</p>	<p>Delete the restrictions resulting from the establishment of companies or participation in their establishment.</p>
<p>Article (5): The head office of the company.</p> <p>The company's head office is located in the city of Jizan, Kingdom of Saudi Arabia, and the Board of Directors may establish branches or agencies inside or outside the Kingdom of Saudi Arabia by the decision of its Board of Directors.</p>	<p>Article (5): The Company's Head Office</p> <p>The company's head office is located in the city of Jizan, Kingdom of Saudi Arabia, and the Board of Directors may establish branches or agencies inside or outside the Kingdom of Saudi Arabia by a decision of its Board of Directors.</p>	<p>No modification</p>



Current system	Proposed system	Procedure
<p>Article (6): Company Term</p> <p>The term of the company is (99) years starting from the date of issuance of the decision of His Excellency the Minister of Commerce announcing its incorporation, and the company's term may always be extended by a resolution issued by the extraordinary general assembly at least one full year before the expiry of its term.</p>	<p>Article (6): Term of the Company</p> <p>Indefinite term of the company</p>	<p>The new Companies Law allows companies not to specify a period for the company based on the text of Article 61 of the Companies Law</p>
<p style="text-align: center;">Part II - Capital and Shares</p> <p>Article (7): Company Capital</p> <p>The company's capital is (500,000,000 Saudi Riyals) five hundred million Saudi Riyals divided into (50,000,000) shares (fifty million shares) of equal value, with a nominal value of each of which is (10) ten Saudi Riyals, all of which are ordinary and cash shares.</p>	<p style="text-align: center;">Part II - Capital and Shares</p> <p>Article (7): Company Capital</p> <p>The company's issued capital is set at (500,000,000 Saudi Riyals) five hundred million Saudi Riyals divided into (50,000,000) shares (five hundred million shares) of equal value, the nominal value of each of which is (1) Saudi Riyals, all of which are ordinary and cash shares, and their value has been subscribed, fulfilled and paid in full.</p>	<ul style="list-style-type: none"> - The text of the article was amended and the subsequent article was merged with it by adding a phrase and the subscription and fulfillment was fully completed, and the phrase (issuer and paid) was added. - The value of the share quantity and the nominal value of a share after the split have been adjusted
<p>Article (8): Subscription to Shares</p> <p>The shareholders subscribed to the entire capital shares amounting to (50,000,000 shares) fifty million shares representing 100% of the shares fully paid in the name of the company with one of the banks approved for this purpose.</p>	<p>Deleted</p>	<p>The article was deleted and merged with the previous article</p>



Current system	Proposed system	Procedure
<p>Article (9): Preferred Shares</p> <p>The extraordinary general assembly of the company may, in accordance with the principles set by the competent authority, issue preferred shares, decide to purchase them, convert ordinary shares into preferred shares, or convert preferred shares to ordinary shares, and the preferred shares shall not give the right to vote in the general assemblies of shareholders, and these shares shall arrange for their owners the right to obtain a greater percentage of the company's net profits than the holders of ordinary shares after setting aside the statutory reserve.</p>	<p>Article (8): Issuance of shares and purchase, sale or mortgage of the company's shares</p> <ol style="list-style-type: none"> 1- The shares of the company shall be nominal and indivisible vis-à-vis the company, the ownership of the share is several persons who must choose one of them to act on their behalf in the use of the rights related to it, and these persons shall be jointly liable for the obligations arising from the ownership of the share. 2- Shares may not be issued at less than their nominal value, and may be issued at a higher than this value, in which case the difference in value shall be placed in a separate item within the shareholders' equity, and shall be used as determined by the relevant laws and regulations. 3- The Company may divide the shares into shares with a lower nominal value, or merge them so that they represent shares with a higher nominal value in accordance with the relevant laws and regulations. 4- The Company may issue preferred, ordinary or redeemable shares or decide to buy, sell or mortgage them, and the shares purchased by the Company shall not have votes in the shareholders' assemblies. The company may purchase its shares for the purpose of allocating them to its employees within the employee share program, and may sell treasury shares in one or several stages in accordance with the relevant laws and regulations. 5- In cases where the company has shares of different types or categories, the company may convert one type or category thereof into another type or class in accordance with the relevant laws and regulations. 	<p>All stock-related materials are merged into one.</p>

Current system	Proposed system	Procedure
<p>Article (10): Sale of Unfulfilled Shares</p> <p>The shareholder shall pay the value of the share on the specified dates and if he fails to pay on the due date, the Board of Directors may, after being notified by publication in a daily newspaper or through the Capital Market website, or by a registered letter at its address, sell the share in the public auction or the stock market, as the case may be, in accordance with the controls determined by the competent authority, however, the shareholder who fails to pay until the day of sale may pay the value due from him plus expenses. spent by the company in this regard. The company shall collect from the proceeds of the sale the amounts due to it and return the rest to the shareholder. If the proceeds of the sale are not sufficient to meet these amounts, the company may collect the remainder of all the shareholder's property, and the company shall cancel the sold share in accordance with the provisions of the Companies Law, and give the purchaser a new share bearing the number of the canceled share and shall be marked therein in the share register.</p>	<p>Article (9): Sale of Unfulfilled Shares</p> <ol style="list-style-type: none"> 1- The shareholder shall pay the value of the share on the specified dates, and if he fails to pay on the specified date, the Board of Directors may, after being notified by registered letter or notified by any means of modern technology, sell the share in the public auction or the capital market, as the case may be, in accordance with the controls determined by the competent authority. 2- The company shall collect from the proceeds of the sale the amounts due to it and return the rest to the shareholder. If the proceeds of the sale are not sufficient to meet these amounts, the company may collect the remainder from all the shareholder's funds. 3- The rights relating to shares that have failed to pay their value shall be suspended at the expiry of the date specified for them until they are sold or the due thereof is paid in accordance with the provisions of paragraph (1) of this Article, and shall include the right to receive a share of the net profits to be distributed and the right to attend the assemblies and vote on their resolutions. However, the shareholder who fails to pay until the day of sale may pay the value due from him plus the expenses incurred by the company in this regard, in which case the shareholder shall have the right to Request for dividends to be distributed. 4- The company shall cancel the sold share in accordance with the provisions of this Article, and shall give the buyer a new share bearing the canceled share number, and shall indicate in the shareholders' register the occurrence of the sale with the name of the new owner. 	<p>Amendment of the article according to the text of the new Companies Law (no material differences)</p>



Current system	Proposed system	Procedure
<p>Article (11): Issuance of Shares</p> <p>Shares shall be nominal and may not be issued at less than their nominal value, but may be issued at a higher value than this value, and in the latter case the difference in value shall be added in a separate item within the shareholders' equity. It is not permissible to distribute them as dividends to shareholders. The share is indivisible vis-à-vis the company, and if the share is owned by several persons, they must choose one of them to act on their behalf in the use of the rights related to it, and these persons shall be jointly liable for the obligations arising from the ownership of the share.</p>		<p>Merged with Article 8</p>
<p>Article (12): Trading Shares</p> <p>The Company's shares shall be traded in accordance with the provisions of the Capital Market Law and its Implementing Regulations and Market Regulations and Rules.</p>	<p>Article (10): Trading of Shares and Register of Shareholders</p> <p>The Company's shares shall be traded in accordance with the provisions of the Capital Market Law and its Implementing Regulations and Market Regulations and Rules.</p>	<p>Amending the title of the article to include the name of the subsequent article and merging it into one article</p>
<p>Article (13): Register of Shareholders</p> <p>The company's shares are traded in accordance with the provisions of the Capital Market Law.</p>	<p>Deleted</p>	<p>The article was deleted and merged with the previous article</p>



Article (14): Capital Increase

- 1- The Extraordinary General Assembly may decide to increase the company's capital, provided that the capital has been paid in full, and the capital is not required to have been paid in full if the unpaid part of the capital belongs to shares issued against the conversion of debt instruments or financing instruments into shares and the period prescribed for converting them into shares has not expired.
- 2- The extraordinary general assembly may, in all cases, allocate the issued shares upon capital increase or part thereof to the employees of the company and the subsidiaries or some of them, or any of them. Shareholders may not exercise the right of priority when the company issues shares allocated to employees.
- 3- The shareholder who owns the share at the time of the issuance of the extraordinary general assembly resolution approving the capital increase shall have priority in subscribing to new shares issued in exchange for cash shares, and they shall be informed of their priority by publication in a daily newspaper or by being informed by registered mail of the decision to increase the capital, the conditions of subscription, its duration, and the date of its commencement and expiry.
- 4- The Extraordinary General Assembly has the right to suspend the priority right of shareholders in subscribing to the capital increase in exchange for cash shares or to give priority to non-shareholders in cases it deems appropriate for the benefit of the company.
- 5- The shareholder has the right to sell or assign the pre-emption right within the period from the time of the issuance of the extraordinary general assembly resolution approving the capital increase until the last day of subscription in the

Article (11): Capital Increase

- 1- The Extraordinary General Assembly may decide to increase the issued or authorized capital of the company, if any, provided that the issued capital has been paid in full. The capital is not required to have been paid in full if the unpaid part of it is due to shares issued against the conversion of debt instruments or financing instruments into shares and the prescribed period for their conversion has not yet expired.
- 2- The Extraordinary General Assembly may, in all cases, allocate the shares issued upon capital increase or part thereof to the employees of the company and the subsidiaries or some of them. Shareholders may not exercise the right of priority when the company issues shares allocated to employees. The competent authority may set the controls and procedures for allocating shares to employees of the company, subsidiaries or some of them, or any of the same.
- 3- In all cases, the nominal value of the shares of the increase must be equal to the nominal value of the original shares of the same type or class.
- 4- The shareholder who owns the share shall, at the time of the issuance of the extraordinary general assembly resolution approving the capital increase, have priority in subscribing to new shares issued against cash shares, and shall be informed of his priority, if any, by registered letter at his address contained in the shareholders' register, or through modern technology, and the decision to increase the capital, the terms of subscription, its modality, and the date of its start and expiry, taking into account the type and category of the share he owns.
- 5- The Extraordinary General Assembly has the right to suspend the pre-emption right of shareholders in subscribing to a capital increase in exchange for cash

The amendment has been made according to the new Companies Law

Current system	Proposed system	Procedure
<p>new shares associated with these rights, in accordance with the controls set by the competent authority.</p> <p>6- Subject to the provisions of paragraph (4) above, the new shares shall be distributed to the holders of pre-emptive rights who have requested subscription, in proportion to the initial rights they own out of the total pre-emption rights resulting from the capital increase, provided that what they receive does not exceed what they requested from the new shares, and the remainder of the new shares shall be distributed to the holders of pre-emptive rights resulting from the capital increase, provided that what they receive does not exceed what they requested from the new shares. The remaining shares shall be offered to third parties, unless the extraordinary general assembly or the Capital Market Law provides otherwise.</p>	<p>shares or to grant the right of priority to non-shareholders in cases it deems to be in the interest of the company.</p> <p>6- The shareholder in a joint stock company may sell or assign the right of priority for material consideration or free of charge as determined by the relevant laws and regulations.</p>	

Current system	Proposed system	Procedure
	<p>7- Subject to the provisions of paragraph (5) above, the new shares shall be distributed to the holders of pre-emptive rights who have requested subscription in proportion to their pre-emptive rights of the total such rights resulting from the capital increase, provided that the amount they receive does not exceed what they requested from the new shares and taking into account the type and category of the share they own, and the remainder of the new shares shall be distributed to the holders of pre-emptive rights who have requested more than their share in proportion to their pre-emptive rights of the total such rights. resulting from the capital increase, provided that the amount they receive does not exceed what they requested from the new shares, and the remaining shares shall be offered to others, unless the extraordinary general assembly or the Capital Market Law provides otherwise.</p>	



Current system	Proposed system	Procedure
<p>Article (15): Capital Reduction</p> <p>The Extraordinary General Assembly may decide to reduce the company's capital if it exceeds the company's needs or if it suffers losses. In the latter case alone, the capital may be reduced to less than the limit stipulated in Article (fifty-four) of the Companies Law. The reduction decision shall not be issued until after reading a special report prepared by the auditor on the reasons for it, the obligations of the company and the impact of the reduction in these obligations. If the reduction of the capital is the result of its increase in the company's need, the creditors shall be invited to express their objections thereon within sixty days from the date of publication of the reduction decision in a daily newspaper distributed in the area where the company's head office is located. If one of the creditors objects and submits his documents to the company within the said time, the company shall pay his debt to him if it is current or provide sufficient security to pay it if it is deferred, and the capital reduction process shall be carried out in accordance with the provisions of Articles (146, 147 and 148) of the Companies Law.</p>	<p>Article (12): Capital Reduction</p> <p>The Extraordinary General Assembly may decide to reduce the capital if it exceeds the company's need or if the company suffers losses. In the latter case alone, the capital may be reduced to less than the limit set forth in Article (fifty-ninth) of the Companies Law. The reduction decision shall not be issued until after reading a statement in the General Assembly prepared by the Board of Directors on the reasons for the reduction, the company's obligations and the impact of the reduction on their fulfillment, and a report from the company's auditor shall be attached to this statement.</p> <p>If the reduction of the capital is the result of its increase in the company's need, and the creditors must be invited to express their objections, if any, to the reduction at least (forty-five) days before the date specified for the extraordinary general assembly meeting to take the decision to reduce it, provided that a statement explaining the amount of capital before and after the reduction, the date of the meeting and the effective date of the reduction shall be attached to the invitation, if any of the creditors objects to the reduction and submits its documents to the company on the said date, the company shall lead to it. His debt if it is immediate, or to provide him with sufficient security to pay it if it is deferred.</p>	<p>The amendment has been made according to the new Companies Law</p>



Current system	Proposed system	Procedure
<p>Article (16): Purchase and Mortgage of the Company's Shares</p> <p>1- The company may buy or mortgage its shares in accordance with the regulations of the Capital Market Authority, and the shares purchased by the company shall not have votes in the shareholders' assemblies.</p> <p>2- Shares may be mortgaged in accordance with the regulations set by the Competent Authority (Capital Market Authority), and the mortgagee may receive profits and use the rights related to the share, unless otherwise agreed in the mortgage contract, but the mortgagee may not attend and vote in the meetings of the General Assembly of Shareholders.</p> <p>3- If the purpose of purchasing shares is to be allocated to the company's employees within the employee share program, in addition to the other controls related to the purchase of its shares, the conditions stipulated in paragraphs (3) and (4) of Article (24) twenty-fourth of the regulatory rules and procedures issued by the Capital Market Authority in implementation of the Companies Law for Listed Joint Stock Companies must be met.</p>		Merged with Article 8
	<p>Article (13): Debt Instruments and Financing Sukuk</p> <p>The Company may issue debt instruments or negotiable financing instruments, or convert debt instruments or financing instruments into shares in accordance with the Capital Market Law and the provisions of the relevant laws and regulations.</p>	New article

Current system	Proposed system	Procedure
<p style="text-align: center;">Chapter Three: Board of Directors</p> <p>Article (17): Management of the Company</p> <p>The company shall be managed by a board consisting of (7) seven members appointed by the ordinary general assembly for a period of three years, and each shareholder has the right to nominate himself or one or more other persons for membership of the board of directors within the limits of his ownership percentage in the capital. Voting for the selection of the members of the Board of Directors shall be through cumulative voting by distributing the voting power of the shareholder to the nominees he chooses or granting it in full to one candidate, which increases the chances of minority shareholders obtaining representation on the Board of Directors.</p>	<p style="text-align: center;">Part III - Board of Directors</p> <p>Article (14): Company Management</p> <p>The Company shall be managed by a Board of Directors consisting of (7) members elected by the Ordinary General Assembly of the shareholders by cumulative voting for a period not exceeding four years, and the members of the Board of Directors may be re-elected more than once.</p>	<ul style="list-style-type: none"> - The text of the article has been redrafted, as the current text includes a detail without the need to mention it, and the possibility of re-election of members has been added more than once. - The term of management of the company has been amended to four years

Current system	Proposed system	Procedure
<p>Article (18): Termination of the membership of the Council</p> <p>The membership of the Board shall expire upon the expiry of its term or the expiry of the member's validity thereof in accordance with any system or instructions in force in the Kingdom, however, the General Assembly may at all times dismiss all or some of the members of the Board, without prejudice to the right of the dismissed member towards the company to claim compensation if the dismissal occurred for an unacceptable reason or at an inappropriate time, and the member of the Board of Directors may retire, provided that this is at an appropriate time, otherwise he shall be responsible before the company for the consequences of retirement from Damage.</p>	<p>Article (15): Termination or termination of the membership of the Council</p> <ol style="list-style-type: none"> 1- The membership of the Board shall expire upon the expiry of its term or the expiry of the member's validity thereof in accordance with any system or instructions in force in the Kingdom, and the General Assembly may (based on the recommendation of the Board of Directors) terminate the membership of any member who is absent from attending (three) consecutive meetings or (five) separate meetings during his term of membership without a legitimate excuse acceptable to the Board of Directors, however, the Ordinary General Assembly may dismiss all or some of the members of the Board of Directors, and the Ordinary General Assembly in this case shall elect a Board of Directors New or whoever replaces the dismissed member (as the case may be) in accordance with the provisions of the relevant laws and regulations. 2- Upon termination of the membership of a member of the Board of Directors by one of the methods of termination of membership, the company shall notify the Capital Market Authority with a statement of the reasons for this. 	<p>The amendment was made in accordance with the text of the new Companies Law and in accordance with the indicative model of the Ministry's Articles of Association</p>

Article (19): Vacant position in the Council

If the position of one of the members of the Board of Directors becomes vacant, the Board shall have the right to appoint a temporary member to the vacant position according to the order in which to obtain votes in the Assembly that elected the Board, provided that he is one of those who have experience and competence, and the Ministry as well as the Capital Market Authority shall be informed of this within five working days from the date of appointment, and the appointment shall be presented to the Ordinary General Assembly at its first meeting, and the new member shall complete the term of his predecessor. If the necessary conditions for the convening of the Board of Directors are not met due to the lack of the number of its members beyond the minimum stipulated in the Companies Law or this Law, the rest of the members shall call the Ordinary General Assembly to convene within sixty days to elect the necessary number of members.

Article (16): The expiry of the term of the Board of Directors, the retirement of its members or the vacancy of membership

1. Before the expiry of its term of office, the Board of Directors shall convene the Ordinary General Assembly to elect a Board of Directors for a new term. If the election cannot be held and the term of the current Board expires, its members shall continue to perform their duties until the election of a Board of Directors for a new term, provided that the term of continuation of the members of the Board shall not exceed the period specified by the relevant laws and regulations.
2. If the Chairman and members of the Board of Directors retire, they shall convene the Ordinary General Assembly to elect a new Board of Directors, and the retirement shall not take effect until the election of the new Board, provided that the term of continuation of the retired Board shall not exceed the period determined by the relevant laws and regulations.
3. A member of the Board of Directors may retire from the membership of the Board by virtue of a written notification addressed to the Chairman of the Board, and if the Chairman of the Board retires, the notification shall be addressed to the rest of the members of the Board and the Secretary of the Board, and the retirement 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 such vacancy does not result in a breach of the conditions necessary for the validity of the meeting of the Board due to the lack of the number of its members from the minimum, the Board may appoint (temporarily) to the vacant position a person who has experience and competence, provided that he informs the Commercial Register, as well as the Capital Market Authority if the company is listed on the Capital Market, within

The amendment was made in accordance with the text of the new Companies Law and in accordance with the indicative model of the Ministry's Articles of Association

Current system	Proposed system	Procedure
	<p>(fifteen) days from the date of appointment, and the appointment shall be submitted to the Ordinary General Assembly at Its first meeting, and the appointed member shall complete the term of his predecessor.</p> <p>5. If the necessary conditions for the validity of the convening of the Board of Directors are not met due to the lack of the number of its members from the minimum stipulated limit, the rest of the members shall call the Ordinary General Assembly to convene within (sixty) days to elect the necessary number of members.</p>	

Article (20): Powers of the Board

Subject to the terms of reference prescribed for the General Assembly, the Board of Directors shall have the widest powers and powers to manage the company's business in a manner that achieves its objectives, and has the right to supervise its affairs and conduct its affairs, and to draw up policies and general rules for its work and financial and administrative programs to facilitate its affairs. In order to carry out its duties, the Board shall exercise all the powers and carry out all the acts and actions that the company may conduct under this Law, and the Board of Directors may, for example, but not limited to: opening, managing and operating bank accounts of all kinds, closing them, updating them, concluding loans and guarantees of any amount and for any period, including loans exceeding three years, signing bonds for order, guarantees and mortgages of all kinds, and to buy, sell and mortgage the real estate and movables of the company and its factories, subsidiaries and companies that The company owns shares and shares in them, mortgages shares and shares, sells them and guarantees loans to subsidiaries and companies in which the company owns shares and shares, and has the right to release the mortgage on real estate, movables, company factories and any other property of the company, appoint and dismiss managers in its subsidiaries and companies in which the company owns shares, the right to enter into auctions and tenders of all kinds, receive the company's funds and deposit them in banks, open documentary credits, sign and rent documents and checks, and sign all commercial papers and the Board is also entitled Establishing joint stock companies (limited liability or closed shareholding), owning shares and shares in other existing companies or merging with them, and offering subsidiaries for public shareholding in accordance with the controls set by the competent authorities.

Article (17): Powers of the Board

Subject to the competencies prescribed for the General Assembly, the Board of Directors shall have the widest powers in managing the company, drawing up its policies, determining its investments, supervising its business, conducting its affairs, and carrying out all actions and actions inside and outside the Kingdom that would achieve its purposes, including the powers and powers of the Board of Directors, including but not limited to the following:

- 1- Dispose of the company's assets, properties and real estate, and he has the right to accept the gift, the right of mortgage, release of the mortgage, sale, purchase, emptying, receipt and delivery of the price and the appraiser, provided that the minutes of the Board and the reasons for its decision to dispose and sell shall include the reasons and justifications for this, taking into account the following conditions:
 - I- The sale shall be fair and close to the price of the same in accordance with the generally accepted accounting principles.
 - II- The sale shall be present except in cases estimated by the Board and with sufficient guarantees.
 - III- Such conduct shall not result in damage to the company and the cessation of some of its activities or the imposition of other obligations due to the conditions of such disposition.
 - IV- The approval of the Ordinary General Assembly on the resolution of selling more than (50%) of the company's assets, whether the sale was made through one transaction or several deals, and if the sale was made through several deals, the transaction that leads to exceeding (50%) of the sale of assets is considered the transaction that requires the approval of the General

- The wording of the article has been modified and some powers have been added.
- Paragraph (c) of item (1) is stipulated in the Corporate Governance Regulations in paragraph (15) of Article (12) related to the competencies of the Ordinary General Assembly.
- The authority to discharge the company's debtors has been added, which is a right of the Board that may not be delegated according to the Companies Law.
- The powers to provide financial support to any of the subsidiaries or associates as well as the companies in which the company participates have been added at the value and manner deemed appropriate by the Board.
- The authority to appoint an executive committee has been deleted, and a separate article related to the authority to appoint the committees of the Council has been added in Chapter Five of this system.

Current system	Proposed system	Procedure
<p>The Council may also, within the limits of its competence, delegate one or more of its members or third parties to carry out certain work or work for the period that the Council deems appropriate, under the instruments of agencies or delegation, and the Council has the right to exercise all these powers inside and outside the Kingdom of Saudi Arabia.</p>	<p>Assembly, and this percentage is calculated from the date of the first transaction made during the past twelve months.</p> <p>2- Opening, managing and closing all types of accounts, including investment, signing credits, transfers, financial documents, withdrawals and deposits with banks, issuing checks and commercial papers and transferring them to others, and has the right to carry out all banking transactions, appoint authorized signatories, determine and cancel their powers, and request the issuance and cancellation of ATM cards and passwords.</p> <p>3- Issue guarantees, guarantees and bonds to order and provide guarantees of all kinds to banks, funds, financial institutions, government finance institutions and the company's creditors, and sign all papers and documents related thereto.</p>	



The Board of Directors shall also appoint from among its members or others an executive committee consisting of at least (3) three members, and the Committee shall follow up and implement all that the Board requests of it within the limits of its powers stipulated in this system, and the Committee shall hold its meetings at the invitation of its Chairman. Upon a proposal from the Board of Directors, the General Assembly of the Company shall issue the rules for selecting the Nomination and Remuneration Committee, the duration of their membership and the method of work of the Committee.

- 4- Concluding loans with any party whatsoever, such as government funds and institutions, and commercial loans with banks and financial institutions, regardless of their duration and for any limits determined by the Board.
- 5- The Board of Directors, in cases estimated by it, shall have the right to discharge the company's debtors from their obligations in accordance with what achieves its interest and in accordance with the generally accepted accounting procedures in the formation of provisions for doubtful debts, and that the debt has passed for a period and the Board considers it useless to continue to claim it, provided that the minutes of the Board and the reasons for its decision to discharge the company's debtors from liability include the reasons and justifications for that, and the discharge is a right of the Board, which may not be delegated.
- 6- Establishing companies or participating with others in their incorporation or owning shares and shares in other existing companies or acquiring or merging with them, investing of all kinds, deposits, instruments, bonds, shares and funds and disposing of these shares or shares, and has the right to provide some of the assets, properties and real estate of the company as an in-kind share in the capital of any company in which it participates or establishes, and amend its articles of association and sign on behalf of the company the articles of association of the companies in which the company participates and the annexes to its amendments, whatever it is. The type of these companies and whatever the content of these amendments, including amendments related to increasing or decreasing the capital, assigning shares and shares and selling them in accordance with the relevant regulations, accepting the shares and shares relinquished to the company, transferring or merging companies, and buying and selling shares and shares in companies, whether all shares and shares or some of them, and the Board may request, accept and negotiate the offering of shares and shares owned

Current system	Proposed system	Procedure
	<p>by the company for public or private subscription inside or outside the Kingdom of Saudi Arabia, taking into account the requirements The Board may appoint the company's representatives in the management of any other company that is affiliated to it or shareholding therein, attend the meetings of the assemblies of partners or shareholders, boards of directors and boards of directors, vote on behalf of the company, and sign the resolutions and minutes of the meetings of the assemblies of partners, shareholders, managers and boards of directors therein. And sign agreements and instruments in front of notaries and official authorities.</p>	



Current system	Proposed system	Procedure
	<p>7- Appointment and dismissal of the company's CEO and deputy CEOs.</p> <p>8- Determine the powers, duties and financial rights of the CEO and Deputy CEOs.</p> <p>9- Approving the financial position, financial statements and annual budget of the company.</p> <p>10- Approving the company's internal regulations and policies, and governance regulations and policies, unless the competent authorities provide for the powers of the association in this regard.</p> <p>11- The Board of Directors shall provide financial support to any of the subsidiaries or associates, as well as the companies in which the company participates at the value and manner deemed appropriate by the Board, in addition to the fact that the Board of Directors shall provide guarantees for loans and credit facilities of various kinds obtained by any of the subsidiaries, associates or companies in which they participate.</p> <p>12- The right of conciliation, assignment, contract, obligation, association, collection of debts of the company or subsidiaries, acceptance of composition and arbitration</p> <p>Within the limits of its competences, the Board shall have the right to delegate or authorize one or more of its members, a committee of the Board, one of the Company's employees or a third party to carry out certain work or work, and it shall have the right to cancel the delegation or power of attorney in part or in full.</p>	

Current system	Proposed system	Procedure
<p>Article (21): Remuneration of Board Members</p> <p>The remuneration of a member of the Board of Directors shall consist of 3000 Riyals (three thousand Saudi Riyals) for each session he attends himself, as well as from the percentage stipulated in Article (47/5) of this Law, and in all cases, the total remuneration and financial or in-kind benefits received by the Board member shall not exceed the amount of 500,000 Riyals (Five Hundred Thousand Saudi Riyals) annually in accordance with the controls set by the Capital Market Authority and within the limits stipulated in the Companies Law and its Regulations.</p> <p>The report of the Board of Directors to the Ordinary General Assembly shall include a comprehensive statement of all the salaries, share in profits, attendance allowance, expenses and other benefits received by the members of the Board during the fiscal year. Last meeting .</p>	<p>Article (18): Remuneration of Board Members</p> <p>This remuneration shall be a certain amount, attendance allowance for sessions, in-kind benefits, or a certain percentage of the net profits, and two or more of the foregoing may be combined, in addition to travel, accommodation and accommodation expenses, and the Ordinary General Assembly shall determine the amount of such remuneration, taking into account that the remuneration shall be fair, motivating and commensurate with the performance of the member and the performance of the company.</p> <p>The report of the Board of Directors to the Ordinary General Assembly at its annual meeting shall include a comprehensive statement of all remuneration, attendance allowance, expenses allowance and other benefits received or entitled to each member of the Board of Directors during the fiscal year. It shall also include a statement of what the members of the Council received as workers or administrators or what they received in return for technical, administrative or consulting work, and also include a statement of the number of meetings of the Council and the number of meetings attended by each member.</p>	<p>The article was amended according to the text of the new Companies Law</p>

Article (22): Powers of the President, Deputy, Managing Director and Secretary

The Board of Directors shall appoint from among its members a chairman, a vice chairman and a managing director, and it is not permissible to combine the position of the chairman of the board of directors with any executive position in the company, and the chairman of the board shall preside over the meetings of the board and in the event of his absence or if he is prevented from carrying out his functions, the vice president shall temporarily perform the functions of the chairman and the chairman of the board shall represent the company before government departments, companies, individuals, banks, courts, notaries and all judicial departments of all kinds, degrees and arbitration bodies, chambers of commerce and industry, settlement committees and issuance The necessary legitimate agencies on behalf of the company to plead, defend, quarrel, acknowledge, deny, conciliate, appoint employees, lawyers, consultants and representatives, determine their salaries and bonuses, and dismiss them. He has the right to donate from the company's funds, participate in charity associations, charities and preside over the general assemblies of shareholders, and represents the company before all government agencies, companies, institutions, courts, bodies, committees, judicial and quasi-judicial bodies and notaries, and has the right to sign on behalf of the company before these bodies for all works that fall within the scope of the company's activities of any nature and has the right to authorize third parties in writing from the company's employees or others in some of the above.

The Managing Director shall also be responsible for implementing the regulations, policies and decisions set by the Board from time to time, and the remuneration obtained by each of them shall be in addition to the remuneration prescribed for the

Article (19): Powers of the President, Deputy, Managing Director and Secretary

- 1- The Board of Directors shall appoint, at its first meeting, from among its members, a Chairman and Vice-Chairman, and may appoint from among its members a Managing Director, and may appoint from among its members or others a Chief Executive Officer of the Company, and the position of Chairman of the Board of Directors may not be combined with any executive position in the Company.
- 2- Taking into account the terms of reference and powers of the Board of Directors, the Chairman of the Board of Directors shall be competent to invite the Board to meet and preside over its meetings and the meetings of the General Assembly of shareholders, and to represent the company in its relationship with others and sign on its behalf before all governmental, semi-governmental and non-governmental agencies, the Royal Court, ministries, public and private authorities and institutions, the Emirates and all government departments, including but not limited to (Traffic, Passports and Recruitment Department, Labor Office, Expatriates Department, Civil Defense and Registration Department). trademarks and commercial agencies), companies, banks, individuals, etc., and the right to represent the company and sign on its behalf before all judicial and quasi-judicial authorities of various names, types and degrees, and has the right to quarrel, claim, plead, defend, file a lawsuit, hear and respond to lawsuits - acknowledgment - denial - reconciliation - waiver - discharge - request, return and refrain from taking an oath - bring witnesses and evidence and challenge them - answer, wound and amendment - challenge forgery - denial of lines, seals and signatures - request for travel ban and raise it - Review the Attachment and Execution Departments - Request for Attachment and Execution - Request for

- The amendment was made according to the text of the new Companies Law
- The text has been amended to allow the appointment of the Managing Director so that the current text in the Law does not mean that the appointment is mandatory.
- Some powers have been added to the Chairman of the Board for some repetitive work of companies to facilitate and facilitate and not need the work of legitimate agencies from the members of the Board.



Current system	Proposed system	Procedure
<p>members of the Board of Directors in accordance with what is proposed by the Board of Directors and approved by the shareholders' assembly, and the Board of Directors shall appoint the Secretary of the Board from among its members or others and determine its terms of reference and remuneration, and the term of the Chairman of the Board, the Managing Director and the Secretary of the Board of Directors shall not exceed the term of membership of each of them in the Board, and may be reinstated Elect them and the Council may at any time dismiss them or any of them without prejudice to the right of the person who was dismissed to compensation if the dismissal occurred for an illegitimate reason or at an inappropriate time.</p>	<p>Arbitration - Appointment of Experts and Arbitrators - Appeal, Response and Replacement of Experts and Arbitrators Reports - Demand for the Enforcement of Judgments - Acceptance and Denial of Judgments - Objection to Judgments and Appeal Request - Petition for Reconsideration - Marginalization of Judgmental Instruments - Request for Rehabilitation - Request for Pre-emption - Request for Cassation of the Judgment at the Supreme Court - Termination of what is necessary Attending sessions in all cases before all courts - Submission of memoranda and documents - Receipt of memoranda and documents - Receipt of amounts By check in the name of the company - Receipt of judgments instruments - Request for the resignation of the judge - Request for entry and overlap - Request for referral of the case - And before the administrative courts (Board of Grievances) and before the Committee for the Consideration of Violations of the Competition Law, the Sharia Medical Committees, the Labor Committees, the Financial Dispute Settlement Committees and the Dispute Settlement Committees</p>	



	<p>Banking and at the committees for the resolution of securities disputes, offices for the resolution of commercial papers disputes, committees for resolving commercial disputes, customs committees, commercial fraud committees, committees for the resolution of insurance disputes and violations, and at the Public Prosecution, the Supreme Court, the Committee for the Resolution of Tax Violations and Disputes, the Appeal Committee for tax violations and disputes, and others, and has the right to deliver and receive all papers, transactions and judgments and terminate what is necessary in all courts and committees, With regard to real estate, he has the right to represent the company and sign on its behalf with regard to receiving the instruments, merge, splitting, sorting, updating and entering them into the comprehensive system, extracting a set of lost replacement instruments, ratifying copies of real estate deeds, reviewing notaries to inquire about real estate properties, amending boundaries, lengths, area, plot numbers, plans, deeds and their dates, neighborhood names, leasing, leasing, receiving rent and investment returns by check in the name of the company, and he has the right to represent the company and sign on its behalf in that.</p> <p>The authority of the Chairman of the Board of Directors is solely to represent the company or sign on its behalf in all of the above and he has the right to delegate or delegate to others any or all of his powers or competencies, and the remuneration he receives shall be in addition to the remuneration prescribed for the members of the Board of Directors in accordance with what is proposed by the Board of Directors and approved by the Shareholders Assembly.</p> <p>3- The Vice-Chairman of the Council shall assume the functions of the Chairman of the Council in his absence.</p>	
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Current system	Proposed system	Procedure
	<p>4- The Managing Director, in the event of his appointment, shall be responsible for the powers determined by the Board of Directors and the implementation of all instructions issued by the Board, and the Board shall determine, at its discretion and based on a resolution issued by it, the remuneration received by the Managing Director for all additional work performed by him in his capacity as an executive and not as a member of the Board.</p> <p>5- The Board of Directors shall appoint a secretary chosen from among its members or others and determine his remuneration.</p> <p>6- The term of the Chairman of the Board, his deputy, the Managing Director and the Secretary and member of the Board of Directors shall not exceed the term of membership of each of them in the Board, and the Board of Directors may re-exempt the Chairman of the Board, his deputy, the Managing Director, the Chief Executive Officer, the Secretary, or any of them, from such positions, and this shall not result in their exemption from their membership in the Board of Directors.</p>	

Current system	Proposed system	Procedure
<p>Article (23): Board Meetings</p> <p>The Council shall meet at least four meetings per year at the invitation of its chairman, and the invitation shall be in writing by mail, telegraph, fax or modern technical methods, at least one week before the proposed date of the meeting, provided that the subject and agenda to be considered in the meeting shall be mentioned in detail, and the Chairman of the Council shall call for a meeting whenever requested to do so by two members.</p>	<p>Article (20): Board Meetings</p> <p>The Board of Directors shall meet at least four times a year at the invitation of its Chairman, and the invitation shall be in writing and may be sent via regular mail, e-mail or other means of modern technology, and the Chairman of the Board or his representative - in the event of his absence - must invite the Board to the meeting whenever requested to do so by any member of the Board to discuss any or more topics.</p> <p>The Board of Directors shall determine the place of holding its meetings and its meetings may be held using modern technology, and it shall also be entitled to invite to attend its meetings whomever it deems appropriate from the company's employees, consultants or others, provided that they do not have the right to vote.</p>	<p>Text modified</p> <p>It is sufficient to determine the method of convening the meeting according to the requirements of the Companies Law, while other regulations (such as the duration of the dispatch and others) are determined by the Council's work regulations, so that the Board has the right to amend as it deems appropriate, and the permissibility of holding meetings by modern technology has been added, and the right to invite to attend meetings by non-members of the Board has been added, and the right to request a meeting of the Board has been amended from two to one member according to the new Companies Law.</p>

Article (24): Quorum of the Board Meeting

The meeting of the Board shall not be valid unless attended by at least four (4) members, including the Chairman of the Board of Directors or a deputy, and in the event that a member of the Board of Directors is delegated to another member to attend the meetings of the Board, the delegation shall be in accordance with the following controls:

- 1- A member of the Board of Directors may not act on behalf of more than one member in attending the same meeting.
- 2- The delegation must be fixed in writing.
- 3- The deputy may not vote on the decisions that the system prohibits the representative from voting on, and the decisions of the Council shall be issued by the majority of the members present or represented therein, and if the votes are equal, the side in which the chairman of the session prevails.

The Board of Directors may issue decisions in urgent matters by passing them to the members, and the decision in this case shall not be effective except by the unanimity of the members (whether the decision is issued in a document or several separate documents), unless one of the members requests "in writing" the meeting of the Board to deliberate on it. These decisions are presented to the Council in the first subsequent meeting, and the meeting of the Council can be held by means of modern technology through a visual and audio transmission in real time, enabling the members of the Council to participate effectively and in a way that enables them to listen and follow up on presentations, express opinions, discuss and vote on decisions in accordance with the controls set by the competent authority.

Article (21): Quorum of the Board Meeting

The meeting of the Board of Directors of a joint stock company shall not be valid unless attended by at least half of the members (in person or on behalf of), provided that the number of attendees on behalf shall not be less than three members.

A member of the Board of Directors, with the approval of the Chairman of the meeting, may attend the meeting of the Board of Directors through modern technology. A member of the Board may also delegate other members to attend the meetings of the Board and vote on his behalf on the decisions taken during the meeting, in accordance with the following controls:

- 1- A member of the Board of Directors may not represent more than one member in attending the same meeting.
- 2- The delegation shall be fixed in writing - and may be by means of modern technology - and on a specific meeting.
- 3- The deputy may not vote on decisions on which the law prohibits the delegate from voting.

- The quorum of the Board meeting has been amended to be limited to half of the members and not limited to a specific number so that it is taken into account in the future in the event of the resignation of a number of members and the number of members does not decrease the limit stipulated in the system, which is specified in three members.
- A condition of attendance has been added in authenticity according to the Corporate Governance Regulations
- Adding the permissibility of one of the members of the Council to attend the meeting by means of modern technology.
- The condition that the Council should not convene except in the presence of the Chairman or Vice-Chairman of the Council has been deleted.
- The convening of the Council was deleted by means of modern technology and transferred to the previous article.



Current system	Proposed system	Procedure
		<p>- The decisions of the Council were deleted by circulation and transferred to the next article.</p>
<p>Article (25): Deliberations of the Board The deliberations and decisions of the Board of Directors shall be recorded in minutes signed by the Chairman of the Board, the members of the Board of Directors present and the Secretary, and these minutes shall be recorded in a special register signed by the Chairman of the Board of Directors and the Secretary.</p>	<p>Article (22): Decisions and Deliberations of the Board The decisions of the Council shall be issued by a majority of the votes of the members present (in person or on behalf of), and in the event of equality of votes, the side with which the chairman of the meeting voted shall prevail, and the decision shall take effect from the date of its issuance, unless it stipulates that it shall take effect at another time or when certain conditions are met. The Board of Directors may issue its decisions on urgent matters by presenting them to all members by circulation, unless one of the members requests, in writing, a meeting of the Board for deliberation, and such decisions shall be issued with the approval of the majority of the votes of its members and such decisions shall be presented to the Board at its first subsequent meeting to be recorded in the minutes of that meeting. The deliberations and decisions of the Board of Directors shall be recorded in minutes prepared by the Secretary and signed by the Chairman of the meeting, the members of the Board of Directors present and the Secretary. These minutes shall be recorded in a special register signed by the Chairman of the Board of Directors and the Secretary, and modern technology may be used to sign and record deliberations and decisions and record minutes.</p>	<p>Amendment in the name of the article as well as the text of the article, and transfer part of the previous article to the current article. Some phrases indicated in green have been added according to what was mentioned in the new Companies Law</p>



Article (26): Conflict of Interest

Delete

Subject to the provisions of the Companies Law and related regulations:

1. A member of the Board of Directors may not have any direct or indirect interest in the business and contracts concluded for the company's account except with a prior license from the ordinary general assembly in accordance with the controls set by the competent authority. A member of the Board of Directors shall inform the Board of his direct or indirect interest in the business and contracts concluded for the Company's account, and such notification shall be recorded in the minutes of the meeting. Such member may not participate in the voting on the resolution issued in this regard. In the Board of Directors and Shareholders' Assemblies. The Chairman of the Board of Directors shall inform the Ordinary General Assembly when it convenes of the business and contracts in which one of the members of the Board has a direct or indirect interest, and the notification shall be accompanied by a special report from the Company's external auditor.
2. If a member of the Board fails to disclose his interest referred to in paragraph (1) of this Article, the company or any interested party may claim before the competent judicial authority to annul the contract or oblige the member to pay any profit or benefit achieved for him from this.
3. A member of the Board of Directors may not participate in any business that would compete with the company, or compete with the company in one of the branches of the activity it carries out, otherwise the company may claim appropriate compensation before the competent judicial authority, unless he holds a previous license from the ordinary general assembly that is renewed every

There is nothing that obliges the company to stipulate this article in the articles of association, and the issue of conflict of interest needs more detail according to what is stated in the Companies Law, in addition to the fact that the Authority obligated listed companies to prepare an independent conflict of interest policy, and we believe that this is sufficient.

Current system	Proposed system	Procedure
<p>year allowing him to do so, and in accordance with the controls set by the competent authority.</p> <p>4. The Company may not extend a loan of any kind to any of its directors members or shareholders and guarantee any loan made by any of them with third parties.</p>		
<p>4- Any contract concluded in violation of the provisions of this Article shall be null and void , and the company shall have the right to claim compensation to the violator before the competent judicial authority for any damage he may suffer.</p> <p>5- Liability for damages resulting from the works and contracts referred to in paragraph (1) of this Article shall be borne by the member who has an interest in the work or contract, as well as on the members of the Board of Directors, if such works or contracts are carried out in violation of the provisions of that paragraph or if they prove to be unfair, involve a conflict of interest and cause harm to shareholders.</p> <p>6- Members of the Board of Directors opposed to the resolution shall be exempted from liability if they expressly prove their objection in the minutes of the meeting, and absence from attending the meeting in which the resolution is issued shall not be considered a reason for exemption from liability unless it is proved that the absent member was not aware of the resolution or was unable to object to it after becoming aware of it.</p>		

Current system	Proposed system	Procedure
<p>Article (27): Keeping the Company's Secrets by the Board Members</p> <p>The members of the Board of Directors may not disclose in other than the meetings of the General Assembly the secrets of the company they have found. They may not exploit what they know of the arbitration of their membership in the interest of themselves, one of their relatives or others, otherwise they must be dismissed and claimed compensation.</p>	<p>Delete</p>	<p>There is no obligation for the company to stipulate this article in the articles of association, and the issue of preserving the company's secrets will be within the conflict of interest policy.</p>
<p style="text-align: center;">Part Four: Shareholders' Assemblies</p> <p>Article (28): Attendance of Associations</p> <p>A properly constituted General Assembly representing all shareholders shall be held in the city where the company's head office is located. Each shareholder has the right to attend the general assembly of shareholders and may delegate another person other than the members of the board of directors or the company's employees to attend the general assembly, and the shareholders' assembly meetings may be held, the shareholder may participate in its deliberations and vote on its resolutions by means of modern technology, according to the cases set by the competent authority.</p>	<p style="text-align: center;">Part Four: Shareholders' Assemblies</p> <p>Article (23): Attendance of Associations</p> <ol style="list-style-type: none"> 1- Each shareholder has the right to attend the general assemblies of shareholders, and the shareholder has the right, by written power of attorney, to authorize another natural person from the shareholders or other non-members of the company's board of directors to attend the assembly meeting and vote on its agenda items on his behalf in accordance with the relevant laws and regulations. 2- Meetings of the general assemblies of shareholders may be held, the shareholder may participate in their deliberations and vote on their resolutions using modern technology means in accordance with the controls set by the competent authority. 3- Shareholders who wish to attend the general or special assembly shall register their names at the company's head office or at the headquarters where the assembly is held before the time specified for the assembly, and the attendance and votes of the participating shareholders shall be counted through modern technology and the shareholders who vote automatically within the quorum necessary for the validity of the assembly meeting and the issuance of resolutions. 	<p>The amendment was made not to restrict the holding of the assembly at the head office, and to add some other amendments according to the new companies law.</p> <p>The previous system prohibited the power of attorney of the shareholder to one of the company's employees and this prohibition was canceled in the new system.</p>



Current system	Proposed system	Procedure
<p>Article (29): Competences of the Ordinary General Assembly</p> <p>Except for matters that are the competence of the extraordinary general assembly, the ordinary general assembly shall be concerned with all matters related to the company and shall convene at least once a year during the six months following the end of the company's fiscal year, and other ordinary assemblies may be called whenever the need arises.</p>	<p>Article (24): Competences of the Ordinary General Assembly</p> <p>Except for matters within the competence of the extraordinary general assembly, the ordinary general assembly shall be concerned with all matters related to the company and shall convene at least once a year during the six months following the end of the company's fiscal year, and other ordinary general assemblies may be invited to meet whenever the need arises.</p>	<p>Drafting amendments according to the Companies Law</p>
<p>Article (30): Competences of the Extraordinary General Assembly</p> <p>The extraordinary general assembly shall be competent to amend the company's articles of association, with the exception of matters prohibited from amending it by law. It may issue decisions on matters originally within the competence of the Ordinary General Assembly under the same terms and conditions prescribed for the Ordinary General Assembly.</p>	<p>Article (25): Competences of the Extraordinary General Assembly</p> <p>The Extraordinary General Assembly shall be competent to amend the Company's Articles of Association, with the exception of matters prohibited from amending them by law, and may issue decisions in matters originally within the competence of the Ordinary General Assembly, under the same terms and conditions prescribed for the Ordinary General Assembly.</p>	<p>Modification in the article number</p>

Current system	Proposed system	Procedure
<p>Article (31): Invitation to Associations</p> <p>The general or special assemblies of the shareholders shall be convened at the invitation of the Board of Directors and the Board of Directors shall call the Ordinary General Assembly to convene if requested by the auditor or the Audit Committee or a number of shareholders representing at least five percent (5%) of the capital, and the auditor may invite the Assembly to convene if the Board does not convene the Assembly within (30) thirty days from the date of the auditor's request.</p> <p>The invitation to convene the General Assembly and the agenda shall be published in a daily newspaper distributed in the area where the company's head office is located at least twenty-one days before the date specified for the meeting. However, it may be sufficient to send an invitation on the said date to all shareholders by registered letters.</p> <p>A copy of the invitation and agenda shall be sent to the Ministry of Commerce, as well as a copy to the Capital Market Authority if the company is listed on the Capital Market, within the period specified for publication.</p>	<p>Article (26): Invitation to Associations</p> <p>The general or special assemblies of shareholders shall be convened at the invitation of the Board of Directors in the city where the company's head office is located or any other place determined by the Board in accordance with the conditions stipulated in this Articles of Association and the Companies Law and the controls set by the competent authorities in this regard, and the Board of Directors shall convene the Ordinary General Assembly within (thirty) days from the date of the request of the auditor or the audit committee or One or more shareholders representing (ten percent) of the shares of the company that have voting rights at least, and the auditor may convene the ordinary general assembly if the board does not issue the invitation within (thirty) days from the date of the auditor's request.</p> <p>The date, place and agenda of the General Assembly shall be announced at least twenty-one days before the date, and the invitation shall be published on the Capital Market website and the Company's website, in addition to that, the company may send the invitation through modern technology, and a copy of the invitation and agenda shall be sent to the Commercial Register and the Capital Market Authority on the date of announcing the invitation.</p>	<p>The wording was amended with the addition of the option to hold the general assembly meeting in another place determined by the board and not a condition of the company's head office, as well as amending the percentage of shareholders who are entitled to call for the assembly in accordance with the new companies law.</p>
<p>Article (32): Register of attendance of assemblies</p> <p>Shareholders who wish to attend the general or special assembly shall register their names at the company's head office before the time specified for the general assembly with an indication of the number of shares held by them in person or by proxy and the number of votes allocated to them, and each interested party shall have access to this list.</p>	<p>Deleted and merged with Article (25)</p>	

Current system	Proposed system	Procedure
<p>Article (33): Quorum of the Ordinary General Assembly Meeting</p> <p>The convening of the ordinary general assembly meeting shall not be valid unless attended by shareholders representing at least one quarter of the capital, and if this quorum is not available at the first meeting, a second meeting shall be called to be held within the thirty days following the previous meeting, however, the second meeting may be held at least one hour after the end of the period specified for the first meeting, provided that the invitation to convene the first meeting includes evidence of the announcement of the possibility of holding this meeting, and in all cases the meeting shall be The second is true regardless of the number of shares represented in it.</p>	<p>Article (27): Quorum of the Ordinary General Assembly Meeting</p> <p>The convening of the ordinary general assembly meeting shall not be valid unless attended by shareholders representing at least one quarter of the shares of the company that has voting rights, and if the quorum necessary to hold this meeting is not available, the second meeting shall be held one hour after the end of the period specified for the first meeting, provided that the invitation to hold the first meeting includes an announcement of the possibility of holding this meeting. In the event that the first invitation does not include the possibility of holding the second meeting, the invitation to a second meeting shall be held within thirty days following the previous meeting, and this invitation shall be published in the manner provided for in these Articles, and in all cases the second meeting shall be valid regardless of the number of shares that have voting rights represented therein.</p>	<p>Amendments according to the new Companies Law</p>

Current system	Proposed system	Procedure
<p>Article (34): Quorum for the Extraordinary General Assembly Meeting</p> <p>The extraordinary general assembly meeting shall not be valid unless attended by shareholders representing at least half of the capital, and if this quorum is not available in the first meeting, a second meeting shall be called to be held in the same conditions stipulated in the preceding article, however, the second meeting may be held at least one hour after the end of the period specified for the first meeting, provided that the invitation to hold the first meeting includes an announcement of the possibility of holding this meeting and in all cases. The second meeting shall be valid if attended by a number of shareholders representing at least one quarter of the capital.</p> <p>If the necessary quorum is not available at the second meeting, a third meeting shall be convened under the same conditions stipulated in the preceding Article, and the third meeting shall be valid regardless of the number of shares represented therein after the approval of the competent authority.</p>	<p>Article (28): Quorum for the Extraordinary General Assembly Meeting</p> <p>The extraordinary general assembly meeting shall not be valid unless attended by shareholders representing at least half of the shares of the company that has voting rights, and if this quorum is not available in the first meeting, the second meeting shall be held one hour after the end of the period specified for the first meeting, provided that the invitation to hold the first meeting includes an announcement of the possibility of holding this meeting, and in the event that the first invitation does not include the possibility of holding the second meeting, the invitation to a second meeting shall be issued. It shall be held in the same conditions provided for in these Regulations.</p> <p>In all cases, the second meeting shall be valid if attended by a number of shareholders representing at least one quarter of the shares of the company that have voting rights, and if the necessary quorum is not available in the second meeting, a third meeting shall be called to be held in the same conditions stipulated in this system, and the third meeting shall be valid regardless of the number of shares that have voting rights represented therein.</p>	<p>Amendments according to the new Companies Law</p>

Current system	Proposed system	Procedure
<p>Article (35): Voting in Assemblies</p> <p>Each shareholder has a vote for each share he represents in the shareholders' assemblies, and votes in the ordinary and extraordinary general assemblies shall be calculated on the basis of one vote for each share he represents, however, the members of the Board of Directors may not participate in voting on the resolutions of the Assembly that relate to their discharge from liability for the term of their management or that relate to a direct or indirect interest thereof. Cumulative voting must be used in the election of the Board of Directors so that the voting right of the share may not be used more than once.</p>	<p>Article (29): Voting in Assemblies</p> <p>Each shareholder has a vote for each share in the shareholders' assemblies, and the cumulative vote must be used in the election of the Board of Directors, and the members of the Board of Directors may not participate in voting on the resolutions of the Assembly that relate to business and contracts, in which they have a direct or indirect interest or that involve a conflict of interest.</p>	<p>Amendments according to the new Companies Law</p>



Current system	Proposed system	Procedure
<p>Article (36): Resolutions of Associations</p> <p>Resolutions shall be issued in the ordinary general assembly by an absolute majority of the shares represented at the meeting, and the resolutions of the extraordinary general assembly shall be issued by a two-thirds majority of the shares represented at the meeting, unless the resolution is related to increasing or reducing the capital, prolonging the company's term, dissolving the company before the expiry of the period specified in its articles of association, or merging the company into another company, the decision shall not be valid unless it is issued by a three-fourths majority of the shares represented at the meeting .</p>	<p>Article (30): Resolutions of Associations</p> <ol style="list-style-type: none"> 1- The resolutions of the Ordinary General Assembly shall be issued with the approval of the majority of voting rights represented at the meeting. 2- The resolutions of the extraordinary general assembly shall be issued with the approval of (two-thirds) of the voting rights represented at the meeting, unless the resolution is related to increasing or decreasing the capital, prolonging the company's term, dissolving it before the expiry of the period specified in its articles of association, merging it with another company or dividing it into two or more companies, it shall not be valid unless it is issued with the approval of (three-quarters) of the voting rights represented at the meeting. 3- The Board of Directors shall register with the Commercial Register the resolutions of the extraordinary general assembly specified in the relevant laws and regulations within (fifteen) days from the date of their issuance. 4- The resolution of the general assembly of a joint stock company shall be effective from the date of its issuance, except in cases where the Companies Law, the Company's Articles of Association or the resolution issued stipulate that it shall apply at another time or when certain conditions are met. 	<p>Rewording has been done according to the Companies Law</p>

Current system	Proposed system	Procedure
<p>Article (37): Discussion in Assemblies</p> <p>Every shareholder has the right to discuss the topics included in the agenda of the Assembly and to address questions thereon to the members of the Board of Directors and the auditor. The Board of Directors or the auditor shall answer the questions of the shareholders to the extent that the interest of the company is not prejudiced. If the shareholder deems that the answer to his question is not convincing, he shall appeal to the Assembly, and its decision in this regard shall be enforceable.</p>	<p>Article (31): Discussion in Assemblies</p> <p>Each shareholder has the right to discuss the topics included in the agenda of the general assembly and direct questions thereon to the members of the board of directors and the auditor, and the board of directors or the auditor must respond to the shareholders' questions to the extent that does not expose the interest of the company to harm and if the shareholder deems that the answer to his question is not convincing, he shall appeal to the general assembly and its decision in this regard shall be effective.</p>	<p>modulation</p>
<p>Article (38): Presidency of Associations and Preparation of Minutes</p> <p>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 whoever is delegated by the Board of Directors from among its members in the absence of the Chairman of the Board of Directors or his deputy, and the Chairman of the Assembly shall appoint a secretary for the meeting and a collector of votes, and a minutes shall be drawn up at the meeting of the Assembly that guarantees the names of the shareholders present or representatives, the number of shares held by them in person or by proxy, the number of votes prescribed for them, the decisions taken, the number of votes approved or disagreed, and a compendium of the discussions that The minutes are recorded regularly after each meeting in a special register signed by the President of the Assembly, its Secretary and the Collector.</p>	<p>Article (32): Presidency of Associations and Preparation of Minutes</p> <p>The meeting of the General Assembly of Shareholders shall be chaired by the Chairman of the Board of Directors or his deputy in his absence, or whoever is delegated by the Board of Directors from among its members in their absence, and in the event that this is not possible, the General Assembly shall be chaired by those delegated by the shareholders from the members of the Board or others by voting, and the Chairman of the meeting shall appoint a secretary for the meeting and the collectors of votes whose appointment shall be approved by the Assembly.</p> <p>A minutes shall be drawn up at the meeting of the General Assembly that includes the number of shareholders present in person or on behalf of the meeting, the number of shares held by them in person or on behalf of them, the number of votes prescribed for them, the decisions taken, the number of votes approved or opposed thereto, and a compendium of the discussions that took place at the meeting. Minutes are recorded regularly after each meeting in a special register signed by the President and Secretary of the Assembly and the collectors.</p>	<p>Amendment according to the aforementioned deletion and addition, and reformulation according to what is stated in the new Companies Law</p>



Current system	Proposed system	Procedure
<p align="center">Part V - Audit Committee</p>	<p align="center">Part Five – Board Committees</p> <p>Article (33): Board Committees</p> <p>Without prejudice to the provisions of the relevant laws and regulations, the Board of Directors may form specialized committees in accordance with the company's needs, circumstances and conditions in a manner that enables it to perform its tasks effectively, and has the authority to determine the tasks of the committees, their work controls, and the remuneration of their members in accordance with the controls and instructions set by the competent authorities.</p>	<p>A new article has been added related to the committees of the Council and the authority of the Council in the formation of these committees</p>
<p>Article (39): Formation of the Committee</p> <p>An audit committee shall be formed by a resolution of the Ordinary General Assembly from non-executive members of the Board of Directors, whether shareholders or others, provided that the number of its members shall not be less than (3) three and not more than (5) five, and that the tasks of the committee, its work controls, and the remuneration of its members shall be specified in the resolution.</p>	<p>Deleted</p>	<p>The article was deleted because it was not stipulated in the Companies Law, and the Corporate Governance Regulations were amended to form the committee through the Board of Directors.</p>
<p>Article (40): Quorum for Committee Meeting</p> <p>The validity of the meeting of the Audit Committee requires the attendance of the majority of its members, and its decisions shall be issued by a majority of the votes of those present, and in the event of equality of votes, the side with which the Chairman of the Committee voted shall prevail .</p>	<p>Deleted</p>	<p>The article was deleted because it was not stipulated in the Companies Law, and the Corporate Governance Regulations were amended to form the committee through the Board of Directors.</p>



Current system	Proposed system	Procedure
<p>Article (41): Competences of the Committee</p> <p>The Audit Committee shall be responsible for monitoring the Company's business, and for this purpose it shall have the right to review its records and documents and request any clarification or statement from the members of the Board of Directors or the Executive Management, and may request the Board of Directors to convene the General Assembly of the Company if the Board of Directors obstructs its work or the Company suffers serious damages or losses.</p>	<p>Deleted</p>	<p>The article was deleted because it was not stipulated in the Companies Law, and the Corporate Governance Regulations were amended to form the committee through the Board of Directors.</p>
<p>Article (42): Reports of the Committee</p> <p>The Audit Committee shall consider the Company's financial statements and the reports and observations submitted by the auditor, and shall express its views thereon, if any, and shall also prepare a report on its opinion on the adequacy of the Company's internal control system and on other work carried out within the scope of its competence. The Board of Directors shall deposit sufficient copies of this report at the Company's head office at least twenty-one days before the date of the General Assembly, to provide each of the shareholders with a copy thereof. The report will be read out during the Assembly.</p>	<p>Deleted</p>	<p>The article was deleted because it was not stipulated in the Companies Law, and the Corporate Governance Regulations were amended to form the committee through the Board of Directors.</p>

Current system	Proposed system	Procedure
<p style="text-align: center;">Section VI - Auditor</p> <p>Article (43): Appointment of the auditor</p> <p>The company must have one (or more) auditors from among the auditors licensed to work in the Kingdom appointed by the ordinary general assembly annually and determine his remuneration and the duration of his work, and the association may also at any time reappoint or change him in accordance with what is stipulated in the Companies Law or any other laws, regulations, decisions or instructions complementary to it.</p> <p>It is not permissible to combine the work of the auditor with the membership of the Board of Directors or to carry out technical and administrative work in the company or for its benefit or as a matter of consultation. The auditor may also not be a partner of one of the founders of the company or a member of the board of directors or a worker or a relative to the fourth degree by entering the purpose and any act contrary to that shall be null and void with his obligation to return what he has received.</p>	<p style="text-align: center;">Section VI - Auditor</p> <p>Article (34): Appointment of the auditor</p> <p>The company shall have one or more auditors from among the auditors licensed to work in the Kingdom appointed by the ordinary general assembly and determine his remuneration, duration of work and scope, and may reappoint him in accordance with the relevant laws and regulations, and the association may dismiss the auditor without prejudice to his right to compensation for the damage caused to him if necessary. The Chairman of the Board of Directors shall inform the Capital Market Authority of the dismissal decision and its reasons within a period not exceeding (five) days from the date of issuance of the resolution.</p>	<p>The annual appointment requirement has been deleted, with the added and deleted phrases.</p>

Current system	Proposed system	Procedure
<p>Article (44): Powers of the Auditor</p> <p>The auditor shall at all times have the right to access the company's books, records and other documents, and he may request such data and clarifications as he deems necessary to obtain in order to verify the company's assets, liabilities and other matters within the scope of his work, and the Chairman of the Board of Directors shall enable him to perform his duty, and if the auditor encounters difficulty in this regard, he shall prove this in a report submitted to the Board of Directors. If the Board does not facilitate the work of the auditor, it shall: The Board of Directors is requested to convene the Ordinary General Assembly to consider the matter. The auditor shall submit to the annual general assembly a report containing the company's position on enabling him to obtain the data and clarifications requested by him and the violations he may have revealed of the provisions of the Companies Law or the provisions of this Law and the extent of his opinion on the fairness of the company's financial statements.</p>	<p>Article (35): Powers and Responsibilities of the Auditor</p> <p>The auditor may, at any time, review the company's documents, accounting records and supporting documents, and may request such data and clarifications as he deems necessary 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. If the auditor encounters difficulty in this regard, he shall prove this in a report to be submitted to the Board of Directors. If the Board of Directors does not facilitate the work of the auditor, it shall request them to convene the General Assembly to consider the matter. The auditor may issue such an invitation if the Board of Directors does not issue it within (thirty) days from the date of the auditor's request.</p> <p>The auditor shall submit to the General Assembly at its annual meeting a report on the company's financial statements prepared in accordance with the auditing standards adopted in the Kingdom and included in the position of the company's management to enable him to obtain the data and clarifications requested by him, and any violations he may have found of the provisions of the Law, the company's Memorandum of Association or its articles of association within the limits of his competence, and his opinion on the fairness of the company's financial statements. The auditor must read out his report or review a summary. to him at the Annual General Assembly.</p>	<p>The amendment was made according to the wording of the Companies Law</p>



Current system	Proposed system	Procedure
<p>Chapter VII - Company Accounts and Dividend Distribution</p> <p>Article (45): Fiscal Year</p> <p>The company's fiscal year starts from the first of January and ends on December 31 of each year, provided that the first fiscal year starts from the date of the ministerial decision issued announcing the establishment of the company and ends on December 31 of the following year.</p>	<p>Chapter VII - Company Accounts and Dividend Distribution</p> <p>Article (36): Fiscal Year</p> <p>The company's fiscal year starts from the first of January and ends at the end of December of each calendar year.</p>	<p>Part of the text of the article has been deleted because it has no purpose</p>
<p>Article (46): Financial Documents</p> <p>1- The Board of Directors shall, at the end of each financial year of the Company, prepare the Company's financial statements and a report on its activities and financial position for the preceding fiscal year, and this report shall include the proposed method of distribution of profits. The Board shall place these documents at the disposal of the auditor at least forty-five days before the date fixed for the convening of the Assembly.</p> <p>2- The Chairman of the Board of Directors, the Chief Executive Officer and the Chief Financial Officer shall sign the documents referred to in paragraph (1) of this Article and copies thereof shall be deposited at the company's head office at the disposal of the shareholders at least twenty-one days before the date specified for the General Assembly.</p> <p>3- The Chairman of the Board of Directors shall provide the shareholders with the company's financial statements, the report of the board of directors and the auditor's report, unless published in a daily newspaper distributed at the company's head office. He shall also send a copy of these documents to the Ministry and the Capital Market Authority at least fifteen days before the General Assembly.</p>	<p>Article (37): Financial Documents</p> <p>1- The Board of Directors shall, at the end of each financial year of the Company, prepare the Company's financial statements and a report on its activities and financial position for the preceding fiscal year, and this report shall include the proposed method of distribution of profits. The Board shall place these documents at the disposal of the auditor at least forty-five days before the date set for the Annual Ordinary General Assembly, and the Chairman of the Board of Directors, its Chief Executive Officer and its Chief Financial Officer shall sign the documents referred to in these documents. Copies thereof shall be deposited at the company's head office at the disposal of the shareholders.</p> <p>2- The Chairman of the Board of Directors shall provide the shareholders with the Company's financial statements, the report of the Board of Directors, after signing them, and the auditor's report, unless published in any of the modern technology, at least twenty-one days before the date set for the annual ordinary general assembly, and he shall also deposit these documents in accordance with the relevant laws and regulations.</p>	<p>Amendment according to the text of the new Companies Law</p>

Current system	Proposed system	Procedure
<p>Article (47): Distribution of Profits</p> <p>The company's annual net profits shall be distributed as follows:</p> <ol style="list-style-type: none"> 1- Ten percent (10%) of the net profits shall be set aside to form a statutory reserve, and the Ordinary General Assembly may suspend such avoidance when the said reserve reaches 30% of the paid-up capital. 2- The Ordinary General Assembly may, upon the proposal of the Board of Directors, set aside (5%) of the net profits to form an agreement reserve. 3- The Ordinary General Assembly may decide to form other reserves, to the extent that it achieves the interest of the company or ensures the distribution of fixed profits as much as possible to the shareholders. The said association may also deduct from the net profits sums for the establishment of social enterprises for the company's employees or for the assistance of any such institutions. 4- The remainder shall then be distributed to the shareholders a percentage representing (5%) of the company's paid-up capital. 5- Subject to the provisions prescribed in Article (twenty-first) of this Law, and Article Seventy-Six of the Companies Law, after the foregoing, (10%) of the remainder shall be allocated to the remuneration of the Board of Directors, provided that the entitlement to this remuneration is proportional to the number of meetings attended by the member. The remainder may then be distributed to the shareholders as an additional share of the profits. 	<p>Article (38): Distribution of Profits</p> <p>The company's annual net profits shall be distributed as follows:</p> <ol style="list-style-type: none"> 1. The Ordinary General Assembly may, when determining the share of shares in the net profits, decide to form reserves to the extent that it is in the interest of the company or ensures the distribution of fixed dividends, to the extent possible, to the shareholders. The said association may also deduct from the net profits sums for the social purposes of the company's employees. 2. The General Assembly shall determine the percentage to be distributed to shareholders from the net profits after deducting reserves, if any. 3. The company may distribute interim dividends to its shareholders on a semi-annual or quarterly basis and may authorize the Board of Directors to do so after fulfilling the controls set by the competent authorities. 	<p>The text of the article has been amended and drafted</p> <p>We would also like to point out that the new Companies Law did not provide for the company to be obliged to build reserves (such as statutory reserves).</p>



Current system	Proposed system	Procedure
<p>Article (48): Entitlement to Profits</p> <p>The shareholder shall be entitled to his share in the profits in accordance with the resolution of the General Assembly issued in this regard, and the resolution shall indicate the date of maturity and the date of distribution, and the eligibility of profits shall be for the owners of the shares registered in the shareholders' registers at the end of the day specified for maturity.</p>	<p>Article (39): Entitlement to Profits</p> <p>The shareholder shall be entitled to his share in the profits in accordance with the resolution of the General Assembly issued in this regard, or in accordance with the resolution of the Board of Directors in the distribution of interim dividends, and the resolution shall indicate the maturity date and the date of distribution, and the eligibility of profits shall be for the shareholders registered in the shareholders' registers at the end of the day specified for maturity.</p>	<p>Adjustment as indicated in green</p>
<p>Article (49): Distribution of Dividends for Preferred Shares</p> <p>1- If dividends are not distributed for any fiscal year, dividends for subsequent years may not be distributed except after paying the percentage specified in accordance with the provisions of Article (fourteenth after one percent) of the Companies Law to the owners of preferred shares for this year.</p> <p>2- If the company fails to pay the percentage specified in accordance with the provisions of Article (fourteenth after one hundred of the Companies Law) of the profits for a period of three consecutive years, the special assembly of the owners of these shares, held in accordance with the provisions of Article (eighty-ninth) of the Companies Law, may decide whether to attend the meetings of the general assembly of the company and participate in voting, or appoint representatives of them in the board of directors in proportion to the value of their shares in the capital, until the company is able to pay All priority dividends allocated to the holders of these shares for previous years.</p>		

Current system	Proposed system	Procedure
<p>Article (50): Distribution of interim dividends</p> <p>The company may distribute interim dividends to its shareholders on a semi-annual or quarterly basis in accordance with the regulatory rules and procedures issued by the Capital Market Authority in implementation of the Companies Law.</p>	<p>Deleted</p>	<p>Provided for in Article 40</p>
<p>Article (51): Determining the date of distribution of profits</p> <p>The Board of Directors shall implement the resolution of the General Assembly regarding the distribution of dividends to the registered shareholders within 15 days from the date of maturity of such dividends specified in the resolution of the General Assembly, or in the resolution of the Board of Directors to distribute interim dividends.</p>	<p>Deleted</p>	<p>There is nothing that obliges the company to stipulate this Article in the Articles of Association, as the text of the Companies Law and the controls of the Capital Market Authority are sufficient.</p> <p>The CMA has also committed the company to have a dividend policy and we believe that is sufficient.</p>



Current system	Proposed system	Procedure
<p>Article (52): Company Losses</p> <ol style="list-style-type: none"> 1. If the company's losses amount to half of the paid-up capital, at any time during the fiscal year, an official in the company or the auditor shall, upon becoming aware of this, inform the Chairman of the Board of Directors and the Chairman of the Board of Directors shall immediately inform the members of the Board thereof, and the Board of Directors shall, within fifteen days of becoming aware of this, invite the extraordinary general assembly to meet within forty-five days from the date of becoming aware of the losses to decide whether to increase or decrease the company's capital in accordance with the provisions of the Companies to the extent that the percentage of losses falls below half of the paid-up capital, or the dissolution of the company before the term specified in this system. 2. The company shall be deemed to have lapsed by the force of the Companies Law if the General Assembly does not meet within the period specified in paragraph (1) of this Article, or if it meets and is unable to issue a resolution on the matter, or if it decides to increase the capital in accordance with the conditions prescribed in this Article and the subscription to all the capital increase is not made within ninety days of the issuance of the Assembly's decision to increase. 	<p>Article (40): Company Losses</p> <p>If the company's losses amount to (half) of the issued capital, the Board of Directors shall disclose this and its recommendations regarding such losses within sixty days from the date of becoming aware of reaching this amount, and invite the extraordinary general assembly to meet within (one hundred and eighty) days from the date of becoming aware of this to consider the continuation of the company with any of the necessary measures to address or resolve such losses.</p>	<p>The amendment has been made according to the new Companies Law</p>



Current system	Proposed system	Procedure
<p style="text-align: center;">Part VIII - Disputes</p> <p>Article (53): Liability Claim</p> <p>1- Each shareholder has the right to file a liability claim for the company against the members of the Board of Directors. If the mistake made by them would cause a special damage to it, the shareholder may not file the said lawsuit unless the company's right to file it still exists. The shareholder must inform the company of his intention to file the lawsuit.</p> <p>2- The company may file a liability lawsuit against the members of the board of directors due to errors that result in damages to the total shareholders. The Ordinary General Assembly shall decide to file this lawsuit and appoint a representative of the company in its exercise. If the bankruptcy of the company is adjudicated, the filing of the said lawsuit shall be within the competence of the bankruptcy representative, and if the company lapses, the liquidator shall initiate the lawsuit after obtaining the approval of the ordinary general assembly.</p> <p>1- The company may be charged the following expenses incurred by the shareholder to file a lawsuit, whatever its outcome, under the following conditions:</p> <p>If he institutes the lawsuit in good faith.</p> <p>If he submits to the company the reason for which he filed the lawsuit and does not receive a response within thirty days.</p> <p>c) If it is in the interest of the company to file such lawsuit based on the provisions of Article (seventy-ninth) of the Law.</p> <p>The claim must be well-founded.</p>		<p>It is deleted because there is no obligation to mention it according to the indicative form issued by the Ministry</p>



Current system	Proposed system	Procedure
<p>Chapter Nine - Dissolution and Liquidation of the Company</p> <p>Article (54): Termination of the Company</p> <p>The company enters as soon as it expires the role of liquidation and retains the legal personality to the extent necessary for liquidation and the voluntary liquidation decision is issued by the extraordinary general assembly and the liquidation decision must include the appointment of the liquidator and determine his powers and fees and restrictions on his powers and the time period required for liquidation and the period of voluntary liquidation must not exceed five years and may not be extended for more than that except by judicial order and the authority of the company's board of directors ends to dissolve it, however, these remain based on the management of the company and are considered for others Liquidators shall be appointed until the liquidator is appointed and the shareholders' 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.</p>	<p>Chapter Eight - Dissolution and Liquidation of the Company</p> <p>Article (41): Termination of the Company</p> <p>The company shall lapse by one of the reasons for expiry mentioned in Article (forty-third after two hundred) of the Companies Law, and upon its expiry, it shall enter into the liquidation role in accordance with the provisions of Chapter Twelve of the Companies Law, and if the company lapses and its assets are not sufficient to pay its debts or were troubled in accordance with the Bankruptcy Law, it shall apply to the competent judicial authority to open any of the liquidation procedures under the Bankruptcy Law.</p>	<p>Amendment according to the indicative form issued by the Ministry of Commerce</p>

Current system	Proposed system	Procedure
<p style="text-align: center;">Chapter Ten-AFinal Rulers</p> <p>ARTICLE (55): The Companies Law and its Regulations shall be applied in all matters not provided for in this Law and the Capital Market Law and its Implementing Regulations.</p>	<p style="text-align: center;">Chapter IX-AFinal Provisions</p> <p>ARTICLE (42):</p> <ol style="list-style-type: none"> 1- The Company is subject to the regulations in force in the Kingdom of Saudi Arabia. 2- Any provision that contradicts the provisions of the Companies Law in this Basic Law shall not be considered and the provisions contained in the Companies Law shall be applied against it, and all that is not provided for in this Basic Law shall be applied in respect of the Companies Law, its Executive Bylaws, the Capital Market Law and its Implementing Regulations. 3- This Law shall be filed and published in accordance with the provisions of the Companies Law and its Regulations. 	<p>Amendment according to the indicative form issued by the Ministry of Commerce</p>
<p>ARTICLE (56): This Law shall be deposited and published in accordance with the provisions of the Companies Law and its Regulations.</p>	<p>Deleted and merged with previous article</p>	