

## Chapter (One): Company Establishment

### Article 1: Company Incorporation

#### Company Establishment

It was established in accordance with the provisions of the Companies Law issued by Royal Decree No. (M/132) dated 01/12/1443 H, its regulations, and this law, as a Saudi joint-stock company according to the following:

### Article 2: Company Name

Raydan Food Company (Saudi Joint Stock Company Listed)

### Article 3: Company Purpose

The company is engaged in and carries out the following activities:

- 1- Accommodation and food services activities
- 2- Restaurants with service
- 3- Kitchens preparing banquets for parties
- 4- Activities of contractors who provide food services
- 5- Activities providing meals only Take the meal outside the premises
- 6- Establishing and managing restaurants, shops, coffee shops, and cafeterias, both for the company and for third parties
- 7- Import, export, trading services, and agency
- 8- Maintenance and operation
- 9- Building maintenance services activities
- 10- Managing maintenance and operation processes in buildings and their affiliated facilities.
- 11- Manufacturing fixtures for shops and restaurants, including installing decorations and the like.
- 12- Repair and maintenance of food and beverage preparation equipment
- 13- Construction
- 14- Wholesale and Retail Trade
- 15- Real Estate Activities
- 16- Transportation and Storage
- 17- Other service activities
- 18- Manufacturing industries
- 19- Manufacturing of natural food extracts and flavorings for food and beverages
- 20- Manufacturing of artificial food extracts and flavorings for food and beverages
- 21- Manufacturing of milled, processed, or prepared plant-based products



- 22-Curing and preparation of meat and meat products by various methods such as drying and canning
- 23-Manufacturing of prepared vegetable dishes
- 24-Tomato sauce manufacturing
- 25-Baking of traditional dishes, raw pastry sheets, including matai
- 26-Manufacturing of various types of traditional and oriental sweets
- 27-Manufacturing of cooked stuffed pastries
- 28-Manufacturing of uncooked stuffed pastries
- 29-Manufacture of bread and its products using automated bakeries.
- 30-Wholesale spice distribution
- 31-Operating food and beverage services in sports venues and similar facilities under a specific franchise agreement
- 32-Hajj and Umrah catering contractors.
- 33-Providing services to pilgrims and visitors to the Prophet's Mosque coming from outside the Kingdom.
- 34-Providing services to pilgrims coming from outside the Kingdom.
- 35-Providing services to domestic pilgrims.
- 36-Operating cafeterias and canteens under a specific franchise agreement, including those in factories, offices, hospitals, schools, etc.
- 37-Food preparation companies or catering contractors
- 38-Bottling liquids, including beverages and food
- 39-Operating slaughterhouses for the slaughtering and preparation of livestock meat
- 40-Investment Company Activities
- 41-Land freight transportation
- 42-Transportation of refrigerated and frozen goods
- 43-Livestock transportation
- 44-Operation of storage facilities for all types of goods
- 45-General cargo shipping and distribution services
- 46-Refrigerated food warehouses
- 47-Refrigerated and frozen goods warehouses (cold storage facilities)
- 48-General warehouses for a variety of goods
- 49-Dry food warehouses
- 50-Frozen food stores
- 51-Rice packing, milling and bleaching
- 52-Food packing and packaging



53-Cutting, packing and wrapping fruits and vegetables

54-Cutting, preparing, packing and wrapping meat and poultry

55-Preparing and processing sweets

56-Fruit juice production

The company carries out its activities according to the applicable laws and after obtaining the necessary licenses from the competent authorities, if any.

#### **Article 4: Participation and Ownership in Companies**

The company may establish companies on its own (limited liability or joint stock) in light of the controls and procedures stipulated in the Companies Law in this regard. It may also own shares and stakes in other existing companies or merge them or be merged with them. It has the right to participate with others in establishing 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 these shares or stakes, provided that this does not include mediation in their trading according to the regulatory requirements in this regard. The company may also have an interest or participate in any way with individuals and companies that carry out businesses similar to its businesses and that help it achieve its objectives.

#### **Article 5: Company's Head Office**

The company's head office is located in the city of Jeddah. It may establish branches, offices or agencies inside or outside the Kingdom of Saudi Arabia by a decision of the Executive Committee. The company's head office may not be transferred to another city except by a decision of the Extraordinary General Assembly and the approval of the competent official authorities.

#### **Article 6: Company Term:**

The company term is indefinite, started from the date of its registration in the Commercial Register.

### **Chapter Two: Capital and Shares**

#### **Article (7) Capital**

The company's issued capital is set at SAR 158,084,670 (one hundred and fifty-eight million and eighty-four thousand and six hundred and seventy Saudi Riyals), divided into (15,808,467) shares, each with a nominal value of ten (10) Saudi riyals, all of which are ordinary shares.

#### **Article 8: Subscription to the capital and shares**

The founders subscribed to the entire capital shares amounting to (15,808,467) fully paid shares in kind.



### **Article 9: Preferred Shares**

The company's Extraordinary General Assembly may, in accordance with the standards set by the competent authority, issue preferred shares, decide to purchase them, convert ordinary shares into preferred shares, or convert preferred shares into ordinary shares.

Preferred shares shall not carry voting rights at the General Assembly of Shareholders and shall entitle their holders to receive a higher percentage of the Company's net profits than ordinary shareholders, in accordance with the provisions of Islamic Shari'ah.

#### **Preferred Shares:**

The company's extraordinary general assembly may, in accordance with the principles and controls set by the competent authority, issue preferred shares. These shares entitle their owners to obtain a higher percentage than the owners of ordinary shares from the company's net profits after the company sets aside reserves - if any - and the aforementioned shares entitle their owners, in addition to the right to participate in the net profits distributed to ordinary shares, to the following:

- (a) The right to obtain a certain percentage of the net profits from the market value of the share after setting aside the company's reserves - if any - and before making any distribution of the company's profits, provided that it is pursuant to a decision of the assembly and a recommendation from the board of directors.
- (b) Priority in recovering the value of their shares in the capital upon liquidation of company and in obtaining a certain percentage on the date of liquidation.

The company may purchase these shares in accordance with what is decided by the extraordinary general assembly of shareholders or convert them into ordinary shares. These shares shall not be included in the calculation of the quorum required for the convening of the company's general assembly stipulated in this law, and shall not be given the right to vote in the general assemblies of shareholders.

#### **2- Redeemable shares:**

The extraordinary general assembly may issue redeemable shares based on the company's option and in accordance with the terms and conditions of their redemption determined by the company and in light of the foundations and controls set by the competent authorities.

### **Article 10: Selling unpaid shares**

The shareholder is obligated to pay the value of the share on the dates specified for



that, and if he fails to pay on the due date, the Board of Directors may, after notifying him by e-mail or notifying him by registered letter, sell the share at a public auction or the stock market, as the case may be, in accordance with the controls determined by the competent authority.

The company shall collect from the proceeds of the sale the amounts due to it and return the remainder to the shareholder. If the proceeds of the sale are not sufficient to pay these amounts, the company may collect the remainder from all the shareholder's funds.

However, the shareholder who fails to pay until the day of the sale may pay the value due from him, in addition to the expenses incurred by the company in this regard.

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 number of the cancelled share, and shall indicate in the share register that the sale has taken place, stating the name of the new owner.

#### **Article 11: Issuance of Shares**

Shares shall be nominal and may not be issued at less than their nominal value. They may be divided into shares of a lower nominal value, or merged to represent shares of a higher nominal value. They may also be issued at a higher value. In the latter case, the difference in value shall be added to a separate item within shareholders' equity, to be used in accordance with the controls set by the competent authority. They may not be distributed as dividends to shareholders. A share is indivisible before the company. If several persons own it, they must choose one of them to represent them in exercising the rights pertaining to the share. These persons are jointly and severally liable for the obligations arising from ownership of the share.

#### **Article 12: Trading of Shares**

The Company's shares are traded in accordance with the provisions of the Capital Market Law and its implementing regulations.

#### **Article 13: Issuance of debt instruments and Sukuk**

- 1- The company may issue debt instruments or tradable financing instruments in accordance with the Capital Market Law and its regulations.
- 2- The company may - by a decision of the Board of Directors - and in accordance



with the Capital Market Law and other relevant regulations and rules, issue any type of tradable debt instruments, whether in Saudi currency or otherwise, inside or outside the Kingdom of Saudi Arabia, such as bonds and sukuk, whether these instruments are issued at the same time or through a series of issues or through one or more programs established by the Board from time to time, all at the times and in the amounts and in accordance with the conditions approved by the Board, and it has the right to take all necessary measures in this regard.

3- The company may issue debt instruments or financing instruments convertible into shares after the issuance of a resolution by the extraordinary general assembly specifying the maximum number of shares that may be issued in exchange for those instruments or sukuk, whether those instruments or sukuk are issued at the same time or through a series of issues, or through one or more programs to issue debt instruments or financing instruments. The board of directors shall issue - without the need for new approval from the extraordinary general assembly - new shares in exchange for those instruments or sukuk that their holders request to be converted, immediately upon the expiry of the conversion request period specified for the holders of those instruments or sukuk. The board shall take the necessary measures to amend the company's articles of association with regard to the number of shares issued and the capital. The board of directors must register the completion of the procedures for each increase in capital with the commercial register.

#### **Article 14: Company's purchase, sale, and pledge of its shares**

- 1- The Company may purchase, pledge, or sell its ordinary or preferred shares subject to the regulations issued by the competent regulatory authorities. Treasury shares purchased by the Company shall not have voting rights at shareholders' assemblies.
- 2- The Company may purchase its shares to allocate them to its employees under an employee share scheme, subject to the terms and conditions specified in the relevant regulations.
- 3- Shares may be mortgaged in accordance with the controls set by the Capital Market Authority, and the mortgagee may collect the profits and exercise the rights related thereto unless the mortgage contract stipulates otherwise. However, the mortgagee may not attend or vote in the general meetings of shareholders.

#### **Article 15: Shareholders Register**

The shares of the shareholders in the company shall be registered in accordance with



the provisions of the Capital Market Law and its regulations.

### **Article 16: Capital Increase**

- 1- The Extraordinary General Assembly may decide to increase the Company's capital provided that the original capital has been fully paid. The capital is not required to be fully paid if the unpaid portion of the capital relates to shares issued in exchange for the conversion of debt instruments or financing instruments into shares and the prescribed period for conversion into shares has not expired yet.
- 2- The Extraordinary General Assembly may, in all cases, allocate all or part of the shares issued for capital increase to employees of the Company and all or part of its subsidiaries. Shareholders may not exercise pre-emptive rights if the Company issues share for employees.
- 3- The nominal value of the increase shares must be equal to the nominal value of the original shares of the same type or category.
- 4- At the time the Extraordinary General Assembly issues a resolution approving the capital increase, a shareholder will be entitled to a pre-emptive right to subscribe to the new shares issued against cash contribution. Such a shareholder shall be informed of their pre-emptive right, if any, by registered letter to his address listed in the shareholders' register or through modern technology means of the resolution of capital increase as well as the terms of subscription, its method and commencement and expiry date, taking into account the type and category of the share he owns.
- 5- The Extraordinary General Assembly may stop the application of the pre-emptive right vested in shareholders to subscribe to the capital increase against cash contribution or may vest such right in persons other than the shareholders in cases it believes this is appropriate for the Company's interest.
- 6- A shareholder may sell or assign the pre-emptive right during the period from the date the General Assembly resolution approving the capital increase is adopted until the last day of subscription to the new shares related to such right, in accordance with the controls set by the competent authority.
- 7- Subject to paragraph 4 above, the new shares shall be distributed to holders of the pre-emptive right who requested subscription in proportionate to their pre-emptive right of the total pre-emptive rights resulting from the capital increase, provided that the shares they receive do not exceed the amount of new shares they requested. The remainder of the new shares shall be distributed to holders of



pre-emptive rights who requested more than their respective shares in proportionate to their pre-emptive right of the total pre-emptive rights resulting from the capital increase, provided that the shares they receive do not exceed the amount of new shares they requested. The remaining shares shall be offered to third parties unless the Extraordinary General Assembly or the Capital Market Law decides states otherwise.

**Article 17: Reducing capital:**

- 1- The extraordinary general assembly may decide to reduce the capital if it exceeds the company's needs or if the company incurs losses. In the latter case alone, the capital may be reduced to less than the limit stated in Article (Fifty-Nine) of the Companies Law. The reduction decision shall not be issued except after reading a statement in the general assembly prepared by the board of directors on the reasons for the reduction, the company's obligations, and the effect of the reduction on fulfilling them. A report from the company's auditors shall be attached to this statement.
- 2- If the capital reduction is due to its excess over the company's needs, creditors must be invited to express their objections - if any - to the reduction at least (forty-five) days before the date set for holding the extraordinary general assembly meeting to take the reduction decision, provided that the invitation is accompanied by a statement clarifying the amount of capital before and after the reduction, the date of the meeting and the effective date of the reduction. If any of the creditors objects to the reduction and submits his documents to the company on the aforementioned date, the company must pay him his debt if it is due or provide him with sufficient guarantee to pay it if it is deferred.
- 3- Equality must be observed among shareholders holding shares of the same type and category when reducing the capital.

**Chapter (Three):**

**Article 18: Company Management**

The company is managed by a board of directors consisting of five (5) members, who must be natural persons. They are elected by the general assembly of shareholders using the cumulative voting method for a period of four years. Members of the board of directors may be re-elected for other terms in accordance with the election and nomination procedures based on the applicable regulations and controls set by the competent authority.





### **Article 19: Termination of Board Membership**

Board membership shall terminate upon the expiry of its term or upon the expiry of the member's validity thereof in accordance with any applicable regulations or instructions in the Kingdom. The General Assembly may (based on a recommendation from the Board of Directors) terminate the membership of any member who has been absent from three (3) consecutive meetings or five (5) separate meetings during his term of membership without a legitimate excuse accepted by the Board of Directors. However, the Ordinary General Assembly may dismiss all or some of the members of the Board of Directors. In this case, the Ordinary General Assembly shall elect a new Board of Directors or a replacement for the dismissed member (as the case may be) in accordance with the provisions of the Companies Law.

### **Article 20: End of the Board of Directors' term, resignation of its members, or membership vacancy:**

- 1- The Board of Directors must call the Ordinary General Assembly to convene before the end of its term by a sufficient period to elect a Board of Directors for a new term. If the election cannot be held and the term of the current Board ends, its members shall continue to perform their duties until a Board of Directors is elected for a new term, provided that the term of the members of the Board whose term has ended does not exceed ninety (90) days from the date of the end of the Board's term.
- 2- If the Chairman and members of the Board of Directors resign, they must call the Ordinary General Assembly to convene to elect a new Board of Directors. The resignation shall not be effective until the new Board is elected, provided that the term of the resigned Board does not exceed one hundred and twenty (120) days from the date of such resignation.
- 3- A member of the Board of Directors may resign from membership of the Board by written notification addressed to the Chairman of the Board. If the Chairman of the Board resigns, the notification must be addressed to the remaining members of the Board and the Secretary of the Board. The resignation shall be effective - in both cases - from the date specified in the notification.
- 4- If the position of a member of the Board of Directors of a joint stock company becomes vacant due to his death or retirement and this vacancy does not result in a breach of the conditions necessary for the validity of the Board's meeting due to the number of its members falling below the minimum stipulated in the



Companies Law or this Law, the Board may temporarily appoint someone with sufficient experience to fill the vacant position, provided that the Commercial Registry and the Capital Market Authority are notified of this within fifteen (15) days from the date of appointment, and that the appointment is presented to the Ordinary General Assembly at its first meeting, and the appointed member completes the term of his predecessor. The Board of Directors may allow the vacant seat to remain until the end of the Board of Directors' term or the General Assembly is called to appoint a member to fill the vacant seat.

- 5- If the conditions necessary for the validity of the Board of Directors' meeting are not met due to the number of its members falling below the minimum stipulated in the Law or in the Company's Articles of Association, the remaining members must call the Ordinary General Assembly to meet within sixty (60) days to elect the necessary number of members.
- 6- In the event that a Board of Directors is not elected for a new term or the required number of Board of Directors members is not completed, in accordance with paragraphs (1), (2) and (5) of this Article, any interested party may request the competent judicial authority to appoint from among those with experience and expertise, in the number it deems appropriate, those who will supervise the management of the company and call the General Assembly to convene within ninety (90) days to elect a new Board of Directors or complete the required number of Board of Directors members, as the case may be, or to request the dissolution of the company.

#### **Article 21: Disclosure of interest in transactions and contracts**

- 1- Subject to the provisions of Article (Twenty-Seven) (27) of the Companies Law and the Capital Market Law and their regulations, a member of the Board of Directors must, upon becoming aware of any interest he has, whether direct or indirect, in the business and contracts for the account of the company, notify the Board of Directors thereof, and this notification shall be recorded in the minutes of the Board meeting when it meets. This member may not participate in voting on the resolution issued in this regard in the Board and the General Assemblies. The Board shall notify the General Assembly when it convenes of the business and contracts in which the member of the Board has a direct or indirect interest, and a special report from the company's auditors, prepared in accordance with the auditing standards adopted in the Kingdom, shall be attached to the notification.



- 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 demand before the competent judicial authority the annulment of the contract or the obligation of the member to pay any profit or benefit achieved by him therefrom.
- 3- The responsibility for damages resulting from the works and contracts referred to in paragraph (1) of this article falls on the member who has an interest in the work or contract, and on the members of the Board of Directors in the event of their failure or negligence in performing their obligations in violation of the provisions of that paragraph or if it is proven that those works and contracts are unfair or involve a conflict of interest and cause harm to shareholders.
- 4- Taking into account what is stated in Article (Twenty-Seven) (27) of the Companies Law, if a member of the Board of Directors wishes to participate in a work that would compete with the company, or compete with it in one of the branches of activity it carries out, the following must be adhered to:
  - A- Notify the Board of Directors of the competing works that he wishes to carry out, and record this notification in the minutes of the Board of Directors meeting.
  - B- The member with an interest shall not participate in voting on the decision issued in this regard in the Board of Directors and the general assemblies of shareholders.
  - C- The Board of Directors shall inform the General Assembly, when it convenes, of the competing businesses that a Board member wishes to engage in, after the Board of Directors has verified that the Board member is competing with the Company's businesses or competing with it in one of its branches, the activity it engages in, in accordance with the controls it approves, provided that these businesses are verified annually, unless the Board is authorized to license the competing businesses.
  - D- Obtaining a license from the General Assembly or the authorized Board of Directors, as the case may be, allowing the member to engage in competitive business.

#### **Article 22: Authorities of the Board**

Subject to the powers reserved for the General Assembly, the Board of Directors shall have

the widest powers to manage the business of the Company to attain its objectives.

The Board shall have the power to:

- 1- The Board of Directors shall have the right to formulate its policy, determine its



investments, supervise its business and funds, and manage its affairs inside and outside the Kingdom.

- 2- Form committees emanating from the Board, and authorize them with the powers the Board deems appropriate.
- 3- Appoint the Company's representatives to the Boards of Directors and Board of Directors of companies in which the Company owns shares or stakes, and the right to attend the meetings of the General Assembly of Partners, General Assemblies, and Boards of Directors of those companies, sign minutes and decisions, and approve quarterly and annual financial statements.
- 4- Represent the Company and sign on its behalf in all its affairs and transactions inside and outside the Kingdom of Saudi Arabia, and sign on its behalf and represent it towards others to complete all procedures and transactions related to it, including governmental and private bodies, departments, institutions, ministries, departments, authorities, notaries, the Ministry of Commerce, the Ministry of Passports, the Ministry of Human Resources and Social Development, labor and recruitment offices, the Ministry of Finance, the police, civil rights, the Emirates, authorities, and the Central Bank.
- 5- Managing capital expenditures and revenues within the budgets approved by shareholders and approving and adopting the financial, administrative and technical policies and internal and organizational regulations of the company, including internal employee regulations.
- 6- Representing the company in its relations with others and before government agencies, negotiating, approving, granting commercial franchises, concluding and signing all types of contracts, documents and papers, including but not limited to the articles of association of companies in which the company participates, with all their amendments and appendices, and the companies' decisions to amend any clause of their articles of association, whether by increasing or decreasing their capital, entering new partners, exiting partners, buying or selling shares or stocks in them, or assigning them, or amending the management article and determining the managers and powers, or amending the company's purposes or trade name, or converting it and its branches into a joint-stock company, or amending its legal entity, or amending the trade name or fiscal year, and any other amendments to contracts or appendices to company contracts, whatever the type of these amendments, as well as signing partners' decisions, documenting them and signing them before the notary public, and



representing the company in attendance, signing, voting, accepting positions and tasks in private and general assemblies, ordinary and extraordinary, for public or closed joint-stock companies in which the company participates, and signing in the boards of directors in companies in which the company owns shares or stocks, and signing the minutes and decisions and approving the annual budgets of these companies, receiving the company's share of the profits therein, accepting positions and tasks on the boards of directors, the right to buy, sell, transfer and assign shares, attending partners' assemblies and voting on their agenda, signing liquidation decisions, contracts, deeds and declarations before the notary public and other official bodies, entering into tenders on behalf of the company and completing the reconciliation procedures at the Saudi Business Center.

- 7- Representing the company in referring to the governorates and municipalities to open the company's shops, obtain licenses, renew them, cancel them, transfer the license and assign them to others, obtain building or renovation permits, obtain a certificate of completion of the assignment, obtain a health card, and create a plan for the lands owned by a deed.
- 8- Representing the company in referring to the General Department of Passports to transfer the sponsorship of workers to the company, obtain a travel visa instead of a damaged or lost one, add dependents, drop workers, manage port affairs, refer to maids' affairs, obtain and renew residencies, obtain a replacement for a lost one, make an exit and return, final exit, transfer sponsorship, transfer information, update data, assign workers, modify the profession, report an escape, cancel an escape report, cancel an exit and return, final exit, obtain an extension of a visit visa, obtain a data statement (print), to refer to Deportation and Expatriates, obtain of re-entry certificates, and complete the procedures for the deceased worker.
- 9- Representing the company in referring to the labor office to update workers' data, liquidate and cancel workers, report worker escape, complete labor procedures with social insurance, to refer to the computer department in the labor force to drop and add workers, add and delete Saudis, receive Saudization certificates, open basic and sub-files, renew and cancel them, transfer ownership of establishments, liquidate and cancel them, to refer to the private recruitment offices department, obtain a recruitment visa, receive visa compensation, transfer sponsorship, modify the profession, obtain a work license, open files and activate



the Saudi portal.

- 10-Representing the company in referring to the General Traffic Department to issue driving licenses for the company's vehicles, issue a driving license instead of a damaged or lost license, renew it, issue plates, renew them, transfer them, cancel plates, sell, scrap, receive the value, issue a driving authorization for the car, object, settle, adjudicate violations, and extract data (print) for cars and violations.
- 11-Representing the company in referring to the Customs to issue and renew customs licenses or transfer and cancel customs licenses and open branches for them and clear and receive goods and pay or retrieve fees and inspect and inspect and pay fees and receive clearances and customs cards and amend or extract a replacement for lost customs cards and manage and supervise licenses, extract a certificate of origin and request a customs exemption and import and export and referring to Saudi Post and local and international postal companies to receive postal parcels. Referring to the Zakat, Tax and Customs Authority and its affiliated committees and departments and submitting zakat or tax returns and financial statements and receiving zakat, income and tax certificates and objecting to them.
- 12-Referring to and signing before the Civil Defense, and extracting, receiving and amending the licenses or permits required for the company to manage the company's affairs and business.
- 13- Requesting the extraction of the necessary licenses for the company's operation, the main and subsidiary commercial records, and a replacement for lost ones, indicating any changes that occur to them, including deletion, addition, modification, identification, or cancellation, and receiving the originals of the commercial records. He has the right to sign with all chambers of commerce and industry in the Kingdom of Saudi Arabia and abroad, and he has the right to delegate or cancel whomever he sees fit with all chambers of commerce and industry in the Kingdom of Saudi Arabia and abroad. He has the right to negotiate with companies, institutions, government agencies, and individuals regarding any contracts and sign them, make decisions, submit offers, bids, and tenders, receive them, accept or reject the award, attend the opening of envelopes, and sign on behalf of the company on all contracts; the Zakat, Tax, and Customs Authority, and the committees and departments associated with them, and submit zakat or tax returns and financial statements, and receive the zakat,



income, and tax certificate and object to them.

- 14-Representing the company in attending boards of directors, managers, meetings, discussions, and voting on its behalf, or authorizing whomever he deems appropriate to attend and vote on its behalf in all cases that require this, and the right to appoint, authorize, delegate, and dismiss others, lawyers, or law firms, pursuant to legitimate agencies or certified authorizations to act on behalf of the company.
- 15-Renting, leasing, renewing, terminating, assigning, cancelling and receiving rent on behalf of and for the benefit of the company, negotiating, approving and signing all types of contracts, documents and insurance policies, purchasing land and real estate, transferring and accepting them, receiving and delivering deeds, extracting proof of possession for all of the company's properties, merging deeds, assigning a deficiency in the area, amending the owner's name, purchasing, mortgaging, de-mortgaging, donating, accepting the gift, building the land, dividing and sorting, extracting a deed in place of a damaged one, annexing the excess area adjacent to the land, converting the cubit to meters in the deed, converting feet to meters in the deed, converting agricultural land to residential or industrial, amending the boundaries, lengths, total area, plot number, register number, deed number and date, neighborhood name, plan number, owner's name, civil registry number, proof of the building, receiving the deed, entering into real estate contributions, buying and selling real estate contribution shares, and signing before notaries and courts in this regard.
- 16-Representing the company in purchasing, selling, accepting the transference and payment of the price of real estate and lands, accepting the donation and transference, receiving the deeds, updating them and entering them into the comprehensive system, receiving and delivering, referring to all relevant parties and completing all necessary procedures and signing as required and acknowledging the purchase, sale and release, signing all letters, transactions, documents, contracts and preliminary and final agreements and signing before and referring to the notary public or courts in the Kingdom of Saudi Arabia, to accept the transference, purchase and sale of real estate and lands and implementing all procedures, at the notary public and its branches, mortgage real estate and de-mortgage and pay all fees, taxes and fines due on it, signing the rental contracts for the electronic rental network and all contracts related to the rental process, receiving and delivering the rental units, completing all



procedures related to the rental process through the electronic rental network; renting, leasing, renewing, terminating, assigning, canceling and receiving rent on behalf of and for the benefit of the company, negotiating, approving and signing all types of contracts, documents and insurance policies, purchasing land and real estate, transferring and accepting them, receiving and delivering deeds, extracting proof of possession for all company properties, merging deeds, assigning a deficiency in the area, amending the owner's name, purchasing, mortgaging, releasing the mortgage, donating, accepting the gift, building the land, dividing and sorting, extracting a deed in place of a damaged one, annexing the excess area adjacent to the land, converting the cubit to meters in the deed, converting feet to meters in the deed, converting agricultural land to residential or industrial, amending borders, lengths, total area, plot number, register number, deed number and date, neighborhood name, plan number, owner's name, civil registry number, proof of the building, receiving the deed, entering into real estate contributions, buying and selling real estate contribution shares, and signing before notaries and courts in this regard.

- 17-Representing the company in obtaining all permits and deeds before the courts, including obtaining a real estate sale permit deed, obtaining a real estate purchase permit deed, obtaining a real estate transfer permit deed, obtaining a real estate division and merger permit deed, obtaining a real estate mortgage permit deed, obtaining a real estate development permit deed, and obtaining a real estate investment permit deed.
- 18- Leasing, selling, buying, and mortgaging the company's real estate and assets, including its head office and branches, provided that the following is stated in the minutes of the Board of Directors' meetings and its decisions related to disposing of these properties:
- a- Reasons and justifications for the sale.
  - b- The sale price should be close to the fair price.
  - c- The price should be due immediately except in cases of necessity, and the guarantees should be sufficient;
  - d- That this disposal should not result in the suspension of the company's activities or impose other obligations on it.





- 19- Providing financial support to any of the affiliated companies and guaranteeing the credit facilities obtained by any of the affiliated companies.
- 20- Approval of the internal, financial, administrative and technical regulations of the company and the policies and regulations for its employees.
- 21- Appointment of the company's management officials with experience and competence as deemed appropriate by the board of directors and determination of their duties and rewards.
- 22- Delegation of the company's management officials with the authority to sign on behalf of the company within the limits of the rules set by the board of directors.
23. Approval of opening or cancelling branches, offices and agencies of the company, appointing its managers, determining their salaries and rewards, dismissing them and determining the activity of those branches.
- 24- Appointing and dismissing employees and workers, requesting visas, recruiting workers from outside the Kingdom, contracting with them, determining their salaries, obtaining residencies, transferring sponsorships and assigning them.
- 25- Approval of establishing subsidiaries, branches, offices and agencies of the company or canceling them, appointing their managers, determining their salaries and rewards, dismissing them, determining the activity of those branches, and selling, buying and mortgaging all or part of the shares, stocks, ownership rights and interests in any of the subsidiaries.
- 26- Approval to invest in companies inside and outside the Kingdom of Saudi Arabia directly and indirectly and to buy and sell shares in companies in which the company participates and bonds and sukuks.



27- Approval to invest, acquire and subscribe to all securities, all shares and stakes in companies in addition to tradable shares and all types of sukuks inside and outside the

Kingdom of Saudi Arabia.

28- Representing the company before all Sharia courts, the Board of Grievances, labor and

workers' offices, higher and primary committees for settling labor disputes, commercial

papers committees, the Securities Disputes Resolution Committee, all other judicial

committees, arbitration bodies, police departments, the Civil Rights Department, chambers of commerce and industry, all companies, establishments, commercial banks,

money houses, and all government financing funds and institutions with their various

names and specializations.

29- Pleading, defending, challenging, litigation, claim, settlement, reconciliation, waiver,

acknowledgment, denial, pre-emption, bail, hearing and responding to lawsuits, establishing evidence, requesting an oath, rejecting it and refraining from taking it,

bringing witnesses and evidence and challenging them, answering, wounding, amending,

challenging forgery, pleading, denying and challenging handwriting and seals, following

up on all cases filed by or against the company, requesting seizure and execution, accepting and requesting arbitration, appointing experts and arbitrators, challenging

expert and arbitrator reports, rejecting and replacing them, completing what is necessary,

attending sessions in all lawsuits before all courts, receiving amounts, receiving judgment

deeds, requesting the judge's recusal, requesting entry and intervention before Sharia

courts, before administrative courts (Board of Grievances), before forensic



medical

committees, before labor committees, before financial dispute resolution committees,

banking dispute settlement committees, before commercial paper dispute settlement

offices, commercial dispute resolution committees, customs committees, commercial fraud

committees, and the committee for settling tax violations and disputes, the Committee of

Appeal for Tax Violations and Disputes, the Control and Investigation Authority, the

Investigation and Public Prosecution Authority, all judicial and quasi-judicial bodies and

judicial and legal committees at all levels, Obtaining a proof of the opposition to the request

for a proof of the consolidation and release of the mortgage and monopoly on the property,

acknowledging the debt, and the Board of Directors has the right to terminate all cases filed

by or against the company, and has the right to claim the company's rights from others,

whether governmental or civil entities, establishments, companies, banks or individuals

and receive them.

30. Referring to the Saudi Authority for Intellectual Property, amending, transferring ownership, merging and renewing domain names in the Saudi Network Information

Center and other competent authorities in the Kingdom of Saudi Arabia or abroad, and

registering, renewing, amending, merging or transferring ownership of trademarks.

31. Representing the company inside and outside the Kingdom of Saudi Arabia, signing on its

behalf, and referring to all banks, various financial institutions, banks, funds, financial and



banking entities (whether governmental or non-governmental) and financial markets

inside and outside the Kingdom to complete and implement the following:

a- To complete and implement all banking operations and open, operate, update and close

accounts of all types in the name of the company in all currencies.

b- Signing all papers and documents necessary to manage bank accounts, withdrawals,

deposits and complete financial transfers from the company's accounts to other accounts in

the Kingdom of Saudi Arabia or abroad (through banks or institutions and companies

licensed to do so), extracting an account statement, requesting checkbooks, receiving,

writing, issuing, endorsing/ratifying and depositing them.

c- Approving and cancelling signatures and implementing, clearing and transferring from

accounts, whether in foreign or local currency.

d- Concluding and signing all contracts related to conducting and implementing automated

operations via the Internet or otherwise, as well as all banking operations via the electronic

systems provided by the bank.

e- Requesting the extraction, receipt and cancellation of bank cards (credit cards and direct debit) and determining the code numbers.

f- Issuing, signing, editing, endorsing/ratifying and accepting all commercial papers required by the company's business and its subsidiaries, including checks, bills of exchange and promissory notes, endorsing and cashing them.

g- Signing receipts for the company's accounts or any banking operations it carries out and receiving amounts in all currencies and buying, selling and exchanging currencies.

h- Submitting requests and opening documentary credits for others and signing their documents, amending and canceling them, paying and closing all documentary credits and signing all necessary and related documents.

i - Opening investment accounts and investment portfolios, managing them,



transferring to and from them, liquidating them, closing them and disposing of them and their assets, subscribing to and redeeming investment accounts of all types and mortgaging them on behalf of the company for the benefit of others.

i- Signing the settlement, release of liability and declarations, amending and canceling them.

j- Signing, amending and canceling trading agreements by phone and fax and receiving the username and password for the online trading portfolio account on behalf of the company.

k- Selling, buying, mortgaging, releasing mortgages or transferring company shares, treasury bonds or others, foreign currencies or securities of any kind on behalf of the company and for its benefit or for the benefit of others, and signing, amending and canceling all agreements, contracts and documents related to them.

l- They have the right to refer to the governorates and municipalities and obtain licenses, renew licenses, cancel licenses, transfer licenses, obtain building and renovation permits, obtain building completion certificates, land planning, obtain health cards, create land plans, to refer to the governorates, deliver and receive all official documents, papers and instruments, obtain a replacement for them, add the total area, borders, lands, real estate, buildings and factories, amend and restore deeds, merge and divide them, submit requests to marginalize deeds, request surveying declarations and sign in this regard before all governmental and non-governmental bodies and notaries inside and outside the Kingdom of Saudi Arabia.

m- Signing, amending and canceling sureties and bank, in-kind and cash guarantees and real estate mortgages, promissory notes, bills of exchange, commercial papers and instruments issued in the name of the company of all types and whatever their content in the name of the company to guarantee others or signing the company's guarantees for the benefit of others or to make surety and guarantee companies in which the company participates in its percentage of participation or its other companies in which it participates, issuing, amending and canceling financial guarantees, guarantees of fines and performance, guarantees and sureties of all types, whatever their content and to any party whatsoever.

n- Signing, amending and canceling agreements, works and treasury products and derivative transactions and hedging agreements and transactions of all types.

o- Signing, amending and canceling all types of agreements between creditors and guarantee agreements and guarantees of all types and to any party whatsoever.

p- Signing, amending and canceling agreements, pledges, guarantees and guarantees



related to paying or increasing capital for any party whatsoever.

q- Signing, amending and canceling all agreements to grant priority to debts or rights of others, whatever they may be, including the sealing, conclusion, signing, amending and canceling all financial and financing documents and insurance contracts of all types, their amendments and extensions, and the assignment of their returns and rights in favor of others. r- Representing the company in contracting loans with all commercial banks, financial institutions and other lenders, financial brokerage companies and various investment entities, concluding, signing, amending and canceling agreements for all types of facilities, loans, Murabaha contracts, Tawarruq agreements and other products offered by banks in the name of the company, and accepting their terms, conditions and prices, and signing their contracts and forms and its payment schedules and all necessary documents for that and providing the necessary and complementary guarantees and warranties for it, including the company's guarantee for others, its subsidiaries or companies in which it owns shares or stocks, and amending and canceling them.

s- Signing, amending and canceling the treasury customer agreement and dealing with the treasury and all necessary documents for that and signing and executing all documents and contracts.

t- Granting the signing authority to persons authorized to sign the company's accounts and renewing their powers and the degree of their signatures and canceling them and notifying the bank of them and any amendments that occur to them, stating the identities and nationalities of the authorized persons and providing the bank with samples of their signatures and a copy of their proof of identity.

u- The Board of Directors must obtain the approval of the general assembly when selling assets whose value exceeds (50%) fifty percent of the total value of its assets, whether the sale is made through one transaction or several transactions. In this case, the transaction that leads to exceeding (50%) fifty percent of the value of the assets is considered the transaction that requires the approval of the general assembly. This percentage is calculated from the date of the first transaction made during the previous (12) twelve months.

v- The Board of Directors may contract loans of any duration, sell or mortgage the company's assets, sell or mortgage the company's commercial premises, or discharge the company's debtors from their obligations, unless the general assembly issues something restricting the powers of the Board of Directors in this regard.

w- The Board of Directors also has the right to reconcile, waive, contract, commit,



and associate in the name of the company and on its behalf. The Board of Directors may carry out all acts and actions that would achieve the company's purposes. The Board of Directors may delegate, within the limits of its jurisdiction, one or more of its members or third parties to take a specific act or acts or to carry out a specific work or actions.

32. The Board of Directors may, within the limits of its powers, delegate or authorize any member or members of the Board of Directors, the Chief Executive Officer or the Managing Director - if any - or a third party to perform a specific act or acts or to cancel such delegation in part or in full. The attorney has the right to delegate and authorize a third party, if the delegation or authorization expressly states so, in all or some of the powers delegated or assigned to him, and the attorney may also cancel such delegation or authorization in whole or in part. The delegation under this Article shall be made in any legal manner, including, without limitation, by issuing legal powers of attorney (including, without limitation, legal powers of attorney that are consistent with any form or list of powers approved by the Ministry of Justice) and the delegation under this Article shall be made by issuing written decisions or authorizations without the need for their documentation by any party. The delegation, authorization and decisions shall be in accordance with the requirements of the regulations issued by the Capital Market Authority.

### **Article Twenty-Three: Board and Committee Members' Remunerations:**

#### **1- Board Members' Remunerations:**

A. Board members' remunerations consist of a specific amount, a session attendance allowance, an expense allowance, in-kind benefits, or a percentage of profits. Two or more of these benefits may be combined, and they may be of varying amounts in light of a policy issued by the Remuneration and Nominations Committee and approved by the Assembly. They are disbursed as stipulated in that policy. The Board of Directors' report to the Ordinary General Assembly at its annual meeting must include a comprehensive statement of all the remunerations, session attendance allowances, expense allowances, and other benefits received by the Board members during the fiscal year. It must also include a statement of what the Board members received as employees or administrators, or what they received in exchange for technical, administrative, or consulting work, and it must also include a statement of the number of Board meetings and the number of meetings attended by each member.



B. The Board of Directors shall determine, at its discretion, the special remunerations received by the Chairman of the Board in addition to the remunerations stipulated for the Board members mentioned above.

## **2- Board Committee Remunerations:**

The Board of Directors shall determine the remuneration for committee membership, attendance allowances and other entitlements based on a policy approved by the Board of Directors upon the recommendation of the Remuneration and Nominations Committee and approved by the General Assembly of Shareholders and shall be disbursed as stipulated in that policy.

## **Article Twenty-Four: Appointment of the Chairman of the Board, Vice Chairman, Managing Director, Chief Executive Officer, Secretary and their powers:**

1- The Board of Directors shall appoint, at its first meeting, from among its members a Chairman of the Board and a Vice Chairman. It may also appoint from among its members a Managing Director (if appointed) or a Chief Executive Officer. It is not permissible to combine the position of Chairman of the Board of Directors with any executive position in the company.

2- The Board of Directors shall appoint a Chief Executive Officer from among its members or from others, and the Board shall determine his powers and remuneration.

3- The Chairman of the Board shall be responsible for inviting the Board to meet and chairing the meetings of the Board of Directors as well as the meetings of the General Assembly of Shareholders, determining the agenda of the meetings of the Board of Directors while considering the topics, recommendations and suggestions submitted by the members of the Board or committees or the CEO or senior management to include them on the agenda, managing the meetings of the Board effectively and encouraging all members to participate effectively to achieve the planned objectives, chairing the general assemblies (regular - extraordinary - special) of the company and he may delegate these powers to his deputy or others. The Chairman of the Board also has the right to delegate others to attend the meetings of the general assembly of companies in which the company owns a percentage and to vote on its agenda on behalf of the company, representing the company in attending the general assemblies (regular - extraordinary special) and the assemblies of partners and meetings of the boards of directors and boards of directors of companies in which the company owns shares or stocks, and the Managing Director - if appointed





- or the CEO is responsible for implementing the directives that issued to him by the Chairman of the Board of Directors and responsible for the daily operations of the company.

4-Without prejudice to the powers of the Board of Directors set forth in the law and the company's articles of association, the Chairman of the Board shall be responsible for calling the Board of Directors to convene, chairing the Board's sessions and approving the Board's decisions and extracts taken from them. The Chairman of the Board of Directors shall represent the joint-stock company in its relations with third parties and before the judiciary, arbitration bodies, all private and public entities, and other government ministries. He shall have the right to conclude and terminate contracts, sign all types of contracts, including establishing companies and their amendments in companies in which the company participates, and other contracts, pledges, declarations, agreements, documents, instruments, papers, documents, and banking transactions, and execute them, and receive financial amounts, whether in cash, checks, credits, or guarantees, to sign Islamic agreements and investment contracts as well as treasury agreements, works and products, to request checkbooks, bank checks, bills of exchange, and promissory notes, to withdraw, sign, endorse, receive, issue, accept, clear, and deposit them. Depositing any other instruments to pay money and assigning them for collection or transfer or otherwise and delivering them to all banks for any of the aforementioned purposes, requesting and receiving account statements and supporting documents for debts such as promissory notes, contracts and other documents attached to them, collecting rights and statements and depositing and withdrawing from deposits and investment accounts of all kinds and mortgaging them on behalf of the company for the benefit of others. He has the right to request the use of electronic transactions with banks and obtaining and receiving an ATM card and credit cards and entering the code number or any of the other electronic services in effect, signing documents of all kinds including without limitation the right to sell, buy and rent real estate and collect the price, to rent and lease, to conclude and terminate contracts and refer to the notary public and make transferences of any kind and accept them, to receive and deliver and of any kind, to sell and buy lands and real estate and collect and pay the price and sign and mortgage and release it and obtain the proofs of the adjudications and receive them, to receive papers, documents and instruments, to request amending the instruments with their borders and area and deletion and addition and division and sorting, signing on behalf of the company in all that is required,



signing all agreements and instruments, receiving the appraiser, accepting the transference for the company and from the company, acting on behalf of the company before private parties, before the honorable notary public and before other official parties, opening branches, obtaining, renewing and receiving commercial records for the branches, signing entry into tenders and withdrawal from them, collecting, paying, acknowledging, reconciling, waiving, contracting, committing and being bound in the name of the company and on its behalf, conducting all banking and investment transactions necessary for the company's activity before all banks inside and outside the Kingdom of Saudi Arabia, opening all types of bank accounts of all types and forms, current or deposit or other accounts, closing and updating accounts in the name of the company with banks and financial institutions, and the right to sign the papers of opening them, withdrawing, depositing and transferring amounts in local and foreign currency, issuing checks, opening credits and receiving their documents according to the bank authorization appendix. Signing, authenticating, adding signatures, authorizing others, executing and/or delivering all approvals, agreements, requests and documents to obtain the necessary and required approvals from the Ministry of Commerce and Industry, the Saudi Central Bank, the Capital Market Authority, the Saudi Credit Bureau and any other governmental body or authority, opening, closing and managing portfolios and investment funds at all licensed local banks and financial companies, and completing all procedures related to that. Requesting visas, recruiting workers from outside the Kingdom, contracting with them, determining their salaries, obtaining residency, transferring and waiving sponsorships, and has the right to delegate to carry out a specific work or works, and to dismiss and cancel partially or completely. The Board of Directors shall specify in its decision to appoint the Managing Director (if any) and the CEO his powers, authorities, duties, remunerations and the term of his tenure in this position.

- 5- The Chairman of the Board of Directors of a joint stock company may delegate - by a written decision - some of his powers to other members of the Board or to others to carry out a specific work or works.
- 6- The Deputy Chairman of the Board of Directors shall replace the Chairman of the Board of Directors in his absence.
- 7- The Board of Directors shall appoint a Secretary chosen from among its members or others, who shall be responsible for recording the facts and decisions of the



Board of Directors and recording them in a special register prepared for this purpose. His remuneration shall be determined by a decision of the Board. The term of the Chairman of the Board, his Deputy - and the Managing Director, if any - and the Secretary, a member of the Board of Directors, shall not exceed the term of membership of each of them in the Board.

- 8- The Chairman of the Board of Directors may, within the limits of his powers, delegate or authorize on his behalf his Deputy or any member or members of the Board of Directors or the Managing Director (if appointed), the Chief Executive Officer, the Company's employees, or others to perform a specific task or tasks or to cancel that delegation in part or in whole. The attorney has the right to delegate and authorize others, if the Chairman of the Board of Directors' authorization or authorization explicitly states so, in all or some of the powers delegated or assigned to him, and the agent may also cancel that authorization or power of attorney in whole or in part. The delegation under this Article shall be made in any regular manner, including, without limitation, by issuing legal powers of attorney (including, without limitation, legal powers of attorney that are consistent with any form or list of powers approved by the Ministry of Justice, the Notary Public or accredited notaries) and by delegation under this Article by issuing written decisions or authorizations without the need to document them from any party. The delegation, authorization and decisions shall be in accordance with the requirements of the regulations issued by the Capital Market Authority.

**Article Twenty-Five: Board Meetings:**

1-The Board of Directors of the Company shall meet (four) (4) times a year at least, upon the invitation of its Chairman or the request of a member of the Board of Directors and the invitation to the meeting must be sent (five) (5) days before the date of the meeting, attaching the meeting agenda and the necessary documents and information, unless the situation requires holding the meeting in an emergency.

2- The Board of Directors shall determine the location of its meetings, and they may be held using modern technology.

**Article Twenty-Six: Quorum of the Board Meeting:**

The Board meeting shall not be valid unless attended by at least half of the members. A Board member may delegate another member to attend the Board meetings in accordance with the following controls:



- 1- A Board member may not delegate more than one member to attend the same meeting.
- 2- The delegation shall be recorded in writing.
- 3- The deputy may not vote on decisions that the system prohibits the delegate from voting on.

The Board's decisions shall be issued by a majority of the votes of the members present or represented therein. When the votes are equal, the side with which the Chairman of the meeting voted shall prevail. The Board's decision shall be effective from the date of its issuance, unless it stipulates that it shall be effective at another time or upon the fulfillment of a certain condition.

When making decisions, the responsibility shall fall on all members of the Board of Directors if the error arises from a decision issued unanimously. As for decisions issued by a majority of votes, the opposing members shall not be held liable for them as long as they explicitly state their objection in the minutes of the meeting. Absence from attending the meeting in which the decision is issued shall not be considered a reason for exemption from liability unless it is proven that the absent member was not aware of the decision or was unable to object to it after becoming aware of it. The company may provide insurance coverage for its board member, senior executives and their assistants during their term of office or membership against any liability or claim arising due to their capacity.

**Article Twenty-Seven: Issuing Board Decisions on Urgent Matters:**

The Board of Directors may issue its decisions on urgent matters by presenting them to all members by circulation, unless a member requests - in writing - a board meeting to deliberate on them. These decisions shall be issued with the approval of the majority of its members, and these decisions shall be presented to the board at its first subsequent meeting to record them in the minutes of that meeting.

**Article Twenty-Eight: Board Deliberations:**

- 1- The deliberations and decisions of the board of directors shall be recorded in minutes signed by the chairman of the board, the attending board members and the secretary. These minutes shall be recorded in a special register signed by the chairman of the board and the secretary.
- 2- Modern technology may be used to sign, record deliberations and decisions, and record minutes.



## **Chapter Four: Shareholders' Assemblies**

### **Article Twenty-Nine: Attendance at Assemblies:**

1- 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 by whomever the Board of Directors delegates from among its members in their absence. In the event that this is not possible, the General Assembly shall be chaired by whomever the shareholders delegate from among the members of the Board or from others through voting.

2- Every shareholder has the right to attend the meeting of the General Assembly, even if the company's bylaws provide otherwise, and he may delegate another person other than a member of the Board of Directors to do so.

3- The General Assembly meeting may be held and the shareholder may participate in the deliberations and vote on decisions by means of modern technology.

### **Article Thirty: Powers of the Ordinary General Assembly:**

With the exception of what is within the jurisdiction of the Extraordinary General Assembly, the Ordinary General Assembly shall be competent in all matters related to the company, especially the following:

- 1- Electing and dismissing members of the Board of Directors.
- 2- Appointing one or more auditors for the company, as required by the system, determining their fees, reappointing them, and dismissing them.
- 3- Reviewing and discussing the Board of Directors' report.
- 4- Reviewing and discussing the company's financial statements.
- 5- Discussing the auditors' report - if any - and making a decision thereon.
- 6- Deciding on the Board of Directors' proposals regarding the method of distributing profits.
- 7- Forming the company's reserves and determining their uses.

The ordinary general assembly shall convene at least once a year during the six months following the end of the company's fiscal year, and other general assemblies may be called whenever necessary.

### **Article Thirty-One: Powers of the Extraordinary General Assembly:**

The Extraordinary General Assembly shall be competent to:

- 1- Amend the company's articles of association, except for the following:
  - a- Depriving the shareholder or amending any of his basic rights derived in his capacity as a shareholder, taking into account the nature of the rights related to



the type or category of shares owned by the shareholder, especially the following:

- Obtaining a share of the profits that are decided to be distributed, whether the distribution is in cash or through the issuance of free shares to non-employees of the company and its subsidiaries.

- Obtaining a share of the company's net assets upon liquidation. - Attending general or special shareholders' assemblies, participating in their deliberations, and voting on their decisions.

- Disposing of his shares, except in accordance with the provisions of the system.

- Requesting to view the company's records and documents, monitoring the work of the Board of Directors, filing a liability lawsuit against the Board members, and challenging the invalidity of the decisions of general and special shareholders' assemblies.

b- Amendments that would increase the financial burdens on shareholders, unless all shareholders agree to that.

2- Deciding whether the company should continue or dissolve it.

3- Approving the company's purchase of its shares.

4- The Extraordinary General Assembly - in addition to the powers assigned to it under the provisions of the system - may issue decisions on matters originally included in the powers of the Ordinary General Assembly, under the same terms and conditions as those assigned to the Ordinary General Assembly.

#### **Article Thirty-Two: Calling for Assemblies:**

General and special assemblies shall be held upon invitation from the Board of Directors. The Board of Directors shall call for the ordinary general assembly to convene within thirty (30) days from the date of the request of the auditor or one or more shareholders representing (ten percent) 10% of the company's shares with voting rights at least. The auditor may call for the ordinary general assembly to convene if the board does not issue the invitation within thirty (30) days from the date of the auditor's request. The invitation to convene the general assembly shall be published on the Saudi Stock Exchange website at least twenty-one (21) days before the date set for the meeting. However, it is permissible to suffice to send the invitation within the aforementioned period to all shareholders by registered letters, by e-mail, or by modern technology means to communicate with shareholders. A copy of the invitation and the agenda shall be sent to the Ministry and the Capital Market Authority. This shall be within the specified period for publication.



The General assemblies' meetings of shareholders may be held and the shareholder may participate in their deliberations and vote on their decisions by modern technology means, according to the controls set by the Capital Market Authority.

**Article Thirty-Three: Attendance of Assemblies:**

Shareholders wishing to attend the General or Special Assembly shall register their names at the Company's main office before the time set for holding the Assembly.

**Article Thirty-Four: Quorum for the Ordinary General Assembly Meeting:**

1- The Ordinary General Assembly meeting shall not be valid unless attended by shareholders representing at least (a quarter) of the Company's voting shares.

2- If the quorum required to hold the Ordinary General Assembly meeting is not available in accordance with paragraph (1) of this Article, an invitation shall be sent for a second meeting to be held in the same manner stipulated in Article (Ninety-One) of the Law within (thirty) (30) days following the date set for holding the previous meeting. However, the second meeting may be held one hour after the end of the period set for holding the first meeting, provided that the Company's Articles of Association permit this, and that the invitation to hold the first meeting includes information indicating the possibility of holding such meeting. In all cases, the second meeting shall be valid regardless of the number of voting shares represented therein.

**Article Thirty-Five: Quorum of the Extraordinary General Assembly Meeting:**

1- The Extraordinary General Assembly meeting shall not be valid unless attended by shareholders representing at least (half) of the company's shares with voting rights.

2- If the quorum required to hold the Extraordinary General Assembly meeting is not available in accordance with paragraph (1) of this article, an invitation shall be sent to a second meeting to be held in the same manner stipulated in Article (Ninety-One) of the Law. However, the second meeting may be held one hour after the end of the period specified for holding the first meeting, provided that the invitation to hold the first meeting includes information indicating the possibility of holding such a meeting. In all cases, the second meeting shall be valid if attended by shareholders representing at least (a quarter) of the company's shares with voting rights.



3- If the quorum required to hold the second meeting is not available, an invitation shall be sent to a third meeting to be held in the same manner stipulated in Article (Ninety-One) of the Law, and the third meeting shall be valid regardless of the number of shares with voting rights represented therein.

4- The Board of Directors shall register in the Commercial Register the decisions of the extraordinary general assembly specified by the regulations within (fifteen) (15) days from the date of their issuance.

**Article Thirty-Six: Voting in the assemblies:**

Each shareholder shall have one vote for each share in the general assemblies, and cumulative voting shall be used in electing the Board of Directors, such that the right to vote for a share may not be used more than once. The members of the Board of Directors who are shareholders may not participate in voting on the assembly's decisions related to discharging their liability for the period of their management, voting on the item of remuneration of the Board members, and voting on the assembly's decisions related to the businesses and contracts in which they have a direct or indirect interest and which involve a conflict of interest.

**Article Thirty-Seven: Assembly Resolutions:**

1- The resolutions of the ordinary general assembly shall be issued with the approval of the majority of the voting rights represented in the meeting.

2- The resolutions of the extraordinary general assembly shall be issued with the approval of (two-thirds) of the voting rights represented in the meeting, unless the resolution is related to increasing or decreasing the capital, extending the term of the company, 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, in which case it shall not be valid unless issued with the approval of (three-quarters) of the voting rights represented in the meeting.

**Article Thirty-Eight: Discussion in the Assembly:**

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. Any provision in the company's articles of association that deprives the shareholder of this right shall be null and void. The board of directors or the auditor shall answer the shareholders' questions to the extent that does not harm the company's interests. If a shareholder finds that the response to his question is insufficient, he shall resort to the general assembly, and its





decision in this regard shall be enforceable.

**Article Thirty-Nine: Minutes of the General Assembly Meeting:**

The Chairman shall appoint a secretary for the meeting and a vote collector. Minutes shall be drawn up at the General Assembly meeting, including the number of shareholders present in person or by proxy, the number of shares they hold in person or by proxy, the number of votes assigned to them, the decisions taken, the number of votes that approved or opposed them, and a comprehensive summary of the discussions that took place at the meeting. The minutes shall be recorded regularly after each meeting in a special register signed by the Chairman of the Assembly, its Secretary, and the vote collectors.

**Chapter Five: Audit Committee**

**Article Forty: Formation of the Committee:**

A decision by the Board of Directors of the Company shall form an audit committee from shareholders or others, provided that it does not include any of the executive members of the Board of Directors. The number of members of the Audit Committee shall not be less than (3) three members and not more than (5) five members.

The General Assembly of the Company shall issue - based on a proposal by the Board of Directors - the Audit Committee's work regulations, which shall specify the committee's tasks, the controls for its work, the remuneration of its members, and the mechanism for appointing its members temporarily in the event that one of the committee's seats becomes vacant.

**Chapter Six: Auditors**

**Article Forty-One: Appointment, Dismissal and Resignation of the Company's auditor:**

The company shall have one (or more) licensed auditors appointed by the General Assembly, whose fees, term of service and scope shall be determined. The General Assembly shall determine his remuneration, term of service and scope, and he may be reappointed provided that his term of appointment does not exceed the period in accordance with the provisions stipulated by the law.

2-The auditor may be dismissed by a decision taken by the General Assembly, without prejudice to his right to compensation for the damages incurred if there is a reason for it. The Chairman of the Board of Directors must notify the competent authority of the dismissal decision and its reasons, within a period not exceeding five (5) days from the date of issuance of the decision.



3-The auditor may resign from his duties by a written notification submitted to the company, and his duties shall end from the date of submission or at a later date specified in the notification, without prejudice to the company's right to compensation for the damages incurred if there is a reason for it. The retired auditor shall be obligated to submit to the company and the competent authority - when submitting the report - a statement of the reasons for his retirement, and its board of directors shall call the general assembly to convene - as the case may be - to consider the reasons for retirement and appoint another auditor and determine his fees, term of work and scope.

**Article Forty-Two: Obligations of the Company's auditor:**

The company's auditor must be independent in accordance with what is determined by the professional standards approved in the Kingdom.

It is not permissible to combine the work of the auditor with participation in the establishment of the company whose accounts he audits, its management or membership in its board of directors. The auditor may not be a partner of any of the company's founders, managers or members of its board of directors, or an employee or relative of his. He may not purchase or sell shares or stocks in the company whose accounts he audits during the audit period.

The company's auditor may not perform technical, administrative or consulting work in the company whose accounts he audits or for its benefit except as specified by the regulations.

The auditor may, at any time, review the company's documents, accounting records and supporting documents, and may request the data and clarifications 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 record this in a report submitted to the Board of Directors. If the Board of Directors does not facilitate the auditor's work, he shall request the General Assembly to convene - as the case may be - to consider the matter. The auditor may direct this invitation if the Board of Directors does not direct it within thirty (30) days from the date of the auditor's request.

The auditor shall submit to the General Assembly at its annual meeting or to the shareholders a report on the company's financial statements prepared in accordance with the auditing standards adopted in the Kingdom, including the position of the company's management regarding enabling him to obtain the data



and clarifications he requested, any violations of the provisions of the law or its articles of association that he may have discovered within the limits of his jurisdiction, and his opinion on the fairness of the company's financial statements. The auditor must read his report or review a summary of it at the annual General Assembly meeting. The auditor may not disclose to shareholders other than the general assembly or to others any company secrets he has become aware of due to the performance of his work, otherwise he may be required to pay compensation in addition to the right to dismiss him.

The auditor shall be responsible for what is stated in his report, and for any damage that befalls the company, shareholders or others due to errors he makes in the performance of his work. If the company has more than one auditor, they shall be jointly liable, except for those who prove that they did not participate in the error that gives rise to liability.

### **Chapter Seven: Company Accounts and Distribution of Profits**

#### **Article Forty-Three: Fiscal Year:**

The company's fiscal year shall begin on the first of January and end at the end of December of each year, provided that the first fiscal year shall begin from the date of its registration in the commercial register until the end of December of the following year.

#### **Article Forty-Four: Financial statements, providing them to shareholders, depositing them, and a report on the company's activity:**

1. At the end of each fiscal year of the company, the Board of Directors shall prepare the company's financial statements and a report on its activity and financial position for the past fiscal year. This report shall include the proposed method of distributing profits. The Board shall place these documents at the disposal of the auditor, if any, at least (forty-five) (45) days before the date set for the annual ordinary general assembly.

2- The Chairman of the Board of Directors of the company, its CEO, and its financial manager, if any, shall sign the documents referred to in paragraph (1) of this article, and copies thereof shall be deposited at the company's main office at the disposal of shareholders.

3- The Chairman of the Board of Directors shall provide shareholders with the company's financial statements and the Board of Directors' report, after signing them, and the auditor's report, if any, unless published in any modern technology means, at least (twenty-one) (21) days before the date set for the annual ordinary



general assembly, and he shall also deposit these documents in accordance with what is specified in the regulations.

**Article Forty-Five: Distribution of profits to shareholders:**

1- The General Assembly shall determine the percentage that must be distributed to shareholders from the net profits after deducting reserves, if any.

2- The shareholder shall be entitled to his share of the profits in accordance with the General Assembly's decision issued in this regard, and the decision shall specify the due date and the distribution date, and the right to profits shall be for the shareholders registered in the shareholders' records at the end of the day specified for due, and the regulations shall specify the maximum period during which the Board of Directors must implement the General Assembly's decision regarding the distribution of profits to shareholders.

3- The company may, under this system, distribute interim dividends (quarterly or semi-annual) to its shareholders after fulfilling the following controls:

a- The Ordinary General Assembly shall authorize the Board of Directors to distribute interim dividends by a resolution of the Assembly that shall be renewed annually.

b- The company shall have good and regular profitability.

c- It shall have reasonable liquidity and be able to reasonably anticipate the level of its profits.

d- The company shall have distributable profits according to the latest audited financial statements, sufficient to cover the proposed dividends to be distributed, after deducting what has been distributed and capitalized from those profits after the date of these financial statements.

4- The Board of Directors shall include in its annual report submitted to the General Assembly of the company the percentages of profits that have been distributed to shareholders during the different periods of the fiscal year, in addition to the percentage of profits proposed to be distributed at the end of the fiscal year and the total of these profits.

Disclosure and announcement of the decision to distribute profits on the website of the financial market (Tadawul) immediately after it is taken by the Board of Directors.

**Article Forty-Six: Distribution of profits for preferred shares:**

1- If profits are not distributed for any fiscal year, profits for the following years may not be distributed except after paying the specified percentage in accordance



with what is stipulated in the Companies Law to the owners of preferred shares for that year.

2- If the company fails to pay the specified percentage of the owners of preferred shares from the net profits of the company after deducting reserves - if any - for a period of (three) (3) consecutive years, the special assembly of the owners of these shares held in accordance with the provisions of the Companies Law may decide that they attend the meetings of the company's general assembly and participate in the voting until the company is able to pay all the profits allocated to the owners of these shares for those years, and each preferred share shall have one vote in the meeting of the general assembly, and the owner of the preferred share shall have the right in this case to vote on all items on the agenda of the ordinary general assembly without exception.

**Article Forty-Seven: Formation and use of reserves:**

1- The ordinary general assembly, based on the proposal of the board of directors, may set aside a percentage of the net profits to form an agreed reserve allocated for a specific purpose.

2- The Ordinary General Assembly - when determining the share of shares in net profits - may decide to form other reserves, to the extent that achieves the interest of the company or ensures the distribution of fixed profits - as much as possible - to shareholders. The aforementioned Assembly may also deduct amounts from the net profits to achieve social purposes for the company's employees.

3- The reserve allocated for specific purposes in the company's articles of association may not be used except by a decision of the extraordinary general assembly. If this reserve is not allocated for a specific purpose, the ordinary general assembly may - based on a proposal from the board of directors - decide to spend it in a way that benefits the company or shareholders, and the competent authority shall set controls for the use of reserves.

4- The ordinary general assembly may use retained earnings and distributable reserves to pay the remaining amount of the share value or part thereof, provided that this does not prejudice justice among shareholders in accordance with the provisions of the law.

**Article Forty-Eight: Company Losses:**

If the losses of a joint-stock company reach (half) of the issued capital, the Board of Directors must disclose this and the recommendations it has reached regarding these losses within (sixty) (60) days from the date of its knowledge that they have



reached this amount, and invite the Extraordinary General Assembly to meet within (one hundred and eighty) (180) days from the date of knowledge of this to consider the continuation of the company and take any necessary measures to address these losses, or dissolve them.

### **Chapter Eight: Disputes**

#### **Article Forty-Nine: Company or Shareholder Lawsuit:**

1- The company may file a liability lawsuit against the members of the Board of Directors due to violating the provisions of the system or its articles of association, or due to errors, negligence or failure to perform their work, which results in damages to the company, and the General Assembly or shareholders decide to file this lawsuit and appoint someone to represent the company in conducting it. If the company is in the liquidation phase, the liquidator shall file the lawsuit. In the event that any of the liquidation procedures are opened against the company in accordance with the bankruptcy system, this lawsuit shall be filed by its legal representative.

2- One or more shareholders representing (five percent) (5%) of the company's capital, unless the company's articles of association or bylaws provide for a lower percentage, may file a liability lawsuit for the company in the event that the company does not file it, taking into account that the main objective of filing the lawsuit is to achieve the interests of the company, that the lawsuit is based on a valid basis, and that the plaintiff is in good faith and a shareholder in the company at the time of filing the lawsuit.

3- The lawsuit referred to in paragraph (2) of this article requires that the members of its board of directors be notified of the intention to file the lawsuit at least (fourteen) (14) days before the date of filing it.

4- The shareholder may file his personal lawsuit against the manager or members of the board of directors if the error committed by them is likely to cause him special harm.

### **Chapter Nine: Dissolution and Liquidation of the Company**

#### **Article Fifty: Termination of the Company:**

The company shall expire for one of the reasons for termination mentioned in Article 243 of the Companies Law, and upon its expiration it shall enter the liquidation phase in accordance with the provisions of Chapter Twelve of the Companies Law. The company shall retain its legal personality to the extent necessary for liquidation, and the authority of the Board of Directors shall end



upon its expiration. However, they shall remain in charge of managing the company, and shall be deemed, in relation to others, to be in the position of liquidator until the liquidator is appointed. The company's assemblies shall remain in existence during the liquidation period, and their role shall be limited to exercising their powers that do not conflict with the powers of the liquidator. If the company is dissolved and its assets are insufficient to pay its debts or are in default according to the bankruptcy law, it shall apply to the competent judicial authority to initiate any of the liquidation procedures.

### **Chapter Ten: Final Provisions**

#### **Article Fifty-One:**

- 1- The company shall be subject to the regulations in force in the Kingdom of Saudi Arabia.
- 2- Any text that contradicts the provisions of the Companies Law in this Article of Association shall not be taken into account and the provisions of the Companies Law shall apply to it. Anything not provided for in this Article of Association shall be subject to the Companies Law, the Capital Market Law and their regulations.

#### **Article Fifty-Two:**

This Articles of Association shall be deposited and published in accordance with the provisions of the Companies Law and its regulations.

\*\*\*\*\*

