



Section 1: Company Incorporation

1st Article: Company Incorporation

The company was incorporated in accordance with the provisions of the Companies Law issued by Royal Decree No. M/6 on 22.03.1385 corresponding to 21.07.1965 and its regulations, a Saudi joint stock company - the provisions of which are set out below:

2nd Article: Company's Name

The name of the company is Riyadh Cement Company — (a Saudi joint stock company) hereinafter referred to as "the Company".

3rd Article: Company's purposes:

The company carries out and implements the following purposes:

1. Production of white cement in accordance with Industrial Ministerial Resolution No. 494/R dated 25.06.1414 corresponding to 10.12.1993, and the production of ordinary and resistant Portland cement.
2. Wholesale and retail trade in the company's products and building materials.
3. Incorporating or participating in the incorporation of industrial services companies for the purpose of providing maintenance and services to factories inside and outside the Kingdom.
4. Management and operation of cement factories.
5. Owning lands, real estate and patents and benefiting from them in achieving their industrial purposes inside and outside the Kingdom.
6. Incorporating or participating in the incorporation of companies that complement or complement the company's activity.
7. Trade agencies.
8. Importing and operating radioactive devices for the company's factories.
9. Maintenance and operation of residential and commercial buildings and industrial facilities.
10. Mechanical works.
11. Quarry occupation.
12. Import and export of all types of cement and its derivatives.
13. Buying and selling lands, owning real estate, erecting buildings on them, and investing them for the benefit of the company.
14. Treating industrial, agricultural and municipal waste and waste and producing alternative fuels.
15. Occupation of raw materials quarries, mining and transportation of raw and processed materials necessary in cement production
16. Opening portfolios and investment funds with banks and financial institutions.
17. Carry out all works directly or indirectly related to the above purposes.



The company shall not practice its activities except after obtaining the statutory licenses, if any, that are required by the prevailing and enforceable regulations in the Kingdom of Saudi Arabia.

4th Article: Company's head office

The head office of the company is located in Riyadh city, and the company's board of directors may establish branches, agencies or offices for it inside or outside the Kingdom of Saudi Arabia.

5th Article: Participation or merging in other companies

The company may incorporate companies on its own (with limited liability or closed joint stock) in accordance with the Companies Law, and it may also own shares and shares in other existing companies or merge with them, and it has the right to participate with others in the establishment of joint stock or limited liability companies, after fulfilling the It is required by the regulations and instructions followed in this regard. The company may also dispose of these shares or shares, provided that this does not include mediation in their trading.

6th Article: Company's duration

The duration of the company is (99) ninety-nine Hijri years, starting from the date of the decision of the Minister of Commerce announcing the company incorporation, and it is always permissible to extend the company's duration by a decision issued by the extraordinary general assembly at least one year before the expiry of its duration.

Section 2: Capital and Shares

7th Article: Company's Capital

The company's capital is set at (300,000,000) three hundred million Saudi riyals, divided into (3,000,000) three million shares of equal value. Then the company's capital was increased to become currently (1,200,000,000) billion and two hundred million Saudi riyals, divided into (120,000,000) one hundred and twenty million shares of equal value. The nominal value of each share is (10) ten Saudi riyals, and all of them are ordinary and cash shares.



8th Article: Subscription to Shares

Shareholders subscribed to the entire capital of the company and paid, upon incorporation of the company, 25% (twenty-five percent) amounted to (75,000,000) seventy-five million Saudi riyals, which was deposited in one of the licensed banks in the Kingdom of Saudi Arabia in the name of the company under incorporation.

9th Article: Shares

The shares are nominal and indivisible against the company. If the share is owned by multiple persons, they must choose one of them to represent them in the use of the rights related to it, and these persons shall be jointly responsible for the obligations arising from the ownership of the share. Shares may not be issued for less than their nominal value, but may be issued at a higher value. In this last case, the difference in value is placed in a separate item within shareholders' equity, and it may not be distributed as dividends to shareholders.

10th Article: Share Trading

Shares shall be traded in accordance with the provisions of the Capital Market Authority Law and its Executive Regulations. A shareholder's subscription or ownership of shares indicates his acceptance of the company's law and his commitment to the decisions issued by the shareholders' assemblies in accordance with the provisions of this law, whether he is present or absent, and whether he agrees with or disagrees with the decisions.

11th Article: Issuance of Preferred Shares

The Extraordinary General Assembly may - based on the principles set by the competent authority - issue preference shares or decide to purchase them, convert ordinary shares into preferred shares, or convert preferred shares into ordinary shares. Preferred shares are not giving the right to vote in general assemblies of shareholders. These shares entitle their owners to obtain a percentage more than the ordinary shares' holders of the company's net profits after setting aside the statutory reserve. It is not permissible to issue new shares that have priority over them, except with the approval of a special assembly composed - in accordance with Article 89 of the Companies Law - of preferred shares holders who are harmed by this issuance, and with the approval of a general assembly consisting of all classes of shareholders. The company will be obligated to announce the addition of the right to issue preferred shares in a separate clause and to present it to the shareholders for their acceptance.



12th Article: Shares' Certificates

The purchased and/or subscribed shares are kept with the Saudi Stock Exchange (Tadawul) under the supervision of the Capital Market Authority, and (Tadawul) — the Securities Depository Center — provides the company with a register that includes the names of shareholders, their ID numbers, nationalities, place of residence, and the number of their shares owned by them in the company. All laws and regulations in force in the Kingdom of Saudi Arabia shall apply to the shares.

13th Article: Purchasing or Mortgaging of Shares

The company may purchase or mortgage its ordinary or preferred shares in accordance with the regulations set by the competent authority, and the shares purchased by the company shall not have votes in the shareholders' assemblies. The company may pledge its shares in accordance with the controls and procedures set by the competent authority, and the mortgagee creditor shall have the right to receive profits and use the rights related to the share, unless otherwise agreed in the mortgage contract.

14th Article: Capital Increase

- The Extraordinary General Assembly may decide to increase the capital of the company, provided that the capital has been paid in full. It is not required that the capital has been paid in full, if the unpaid part of the capital belongs to shares issued in exchange for converting debt instruments or financing instruments into shares and the period set for converting them into shares has not expired.
- The Extraordinary General Assembly may, in all cases, allocate the shares issued upon the capital increase, or part thereof, to employees of the company and its subsidiaries or some of them, or any of that. Shareholders may not exercise the right of priority when the company issues shares allocated to employees.
- The capital shall be increased by one of the following methods:
 - a. Issuance of new shares in exchange for shares in cash or in kind.
 - b. Issuance of new shares in return for the company's debts of a certain amount in case of performance, provided that the issuance is at the value decided by the extraordinary general assembly after seeking the opinion of an expert or an approved valuer, and after the board of directors and the auditor prepares a statement on the origin and amount of these debts, the members of the Board and the auditor shall sign this statement, and shall be responsible for its correctness.
 - c. Issuing new shares in the amount of the reserve that the extraordinary general assembly decides to incorporate into the capital. These shares shall be issued in the same form and conditions as the traded shares, and those shares are distributed to shareholders free of charge in proportion to the original shares owned by each of them.
 - d. Issuance of new shares in exchange for debt instruments or financing instruments.
- The shareholder who owns the share at the time of the issuance of the General Assembly resolution approving the capital increase shall have priority in subscribing to the new shares.



issued in exchange for cash shares. These shareholders shall be informed of their priority - if any - by publishing in a daily newspaper or by informing them by registered mail or any other method decided by the competent authorities about the decision to increase the capital, the terms of subscription, its duration and the date of its start and end.

15th Article: Capital Reduction

- By a decision of the Extraordinary General Assembly, the capital may be reduced if it exceeds the company's needs or if it suffers losses. In the latter case alone, the capital may be reduced below the limit stipulated in Article (fifty-fourth) of the Companies Law. The reduction decision shall not be issued except after reading a special report prepared by the auditor on the reasons for the reduction, the obligations of the company, and the effect of the reduction in these obligations.
- If the capital reduction is a result of it being more than the company's need, the creditors shall be called to express their objections to it within sixty days from the date of publishing the reduction decision in a daily newspaper distributed in the area in which the company's head office is located. If one of the creditors objects and submits his documents to the company on the aforementioned date, the company must pay him his debt if it is immediate, or provide him with a sufficient guarantee to pay it if it is deferred.
- The capital shall be decreased by one of the following methods:
 - a. Cancellation of a number of shares equal to the amount required to be reduced.
 - b. The company purchases a number of its shares equal to the amount required to be reduced, and then cancels it.
- If the capital reduction is by canceling a number of shares, equality between the shareholders must be observed, and these shareholders must submit to the company on the date specified by the shares decided to be canceled, otherwise they will be considered closed.
- If the capital reduction is by purchasing a number of the company's shares in order to cancellation, and the shareholders shall be invited to offer their shares for sale, and this invitation is to inform the shareholders by registered mail or by publishing in a daily newspaper distributed in the area where the company's head office is located indicating the company's desire to buy the shares.
- If the number of shares offered for sale exceeds the number that the company decided to purchase, sales orders must be reduced in proportion to this increase.
- The purchase price of the shares of unlisted companies is estimated at a fair price. As for the shares of listed companies, they are bought in accordance with the Capital Market Law.



16th Article: Shares issuance

1. The company may issue negotiable debt instruments or financing instruments, provided that this does not violate the provisions of Article 122 and 112 of the Companies Law, and after the issuance of the extraordinary general assembly's decision specifying the maximum number of shares that may be issued in exchange for those instruments or sukuk, whether those instruments or sukuk were 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 issues - without the need for a new approval from this assembly - new shares in exchange for those instruments that their holders request for their conversion, immediately after the end of the conversion request period specified for the holders of those instruments. The Board shall take what is necessary to amend this law with regard to the number of issued shares and the capital.
2. The board of directors shall declare the completion of the procedures for each capital increase in the manner specified in the law for the month of the extraordinary general assembly resolutions.
3. The company may convert debt instruments or financial instruments into shares in accordance with the Capital Market Law.

Section 3: Board of Directors

17th Article: Composition of the board of directors:

The company is managed by a board of directors consisting of seven members elected by the ordinary general assembly for a period of three years.

18th Article: Nomination for membership of the board of directors

Each shareholder has the right to nominate himself or one or more other persons for membership in the Board of Directors, within the limits of his ownership percentage in the capital.

19th Article: Conflict of Interest

1. A member of the board of directors may not have any direct or indirect interest in the business and contracts that are made for the company's account without a license from the ordinary general assembly, and 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 that are made for the company's account, and this notification shall be recorded in the minutes of the meeting. This member may not participate in voting on the resolution issued in this regard in the Board of Directors and the shareholders' assemblies. The Chairman of the Board of Directors informs the Ordinary General Assembly, when it convenes, of the business



- and contracts in which a member of the Board has a direct or indirect interest, and the notification is accompanied by a special report from the company's external auditor.
2. If a Board member 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 invalidate the contract or obligate the member to pay any profit or benefit that has accrued to him from that.
 3. The responsibility for damages resulting from the business and contracts referred to in Paragraph (1) of this Article shall fall on the member with interest from the business or contract, as well as on the members of the Board of Directors. If those business or contracts are carried out in violation of the provisions of this paragraph or if they are proven to be unfair, or involve a conflict of interest and cause harm to the shareholders.
 4. The members of the board of directors who oppose the resolution are exempted from liability when they expressly express their objection in the meeting minutes. Absence from attending the meeting in which the resolution is issued is not a reason for exemption from responsibility 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.

20th Article: Non-competition

A member of the board of directors may not take part in any business that would compete with the company, or compete with the company in one of the branches of the activity that it engages in, otherwise the company may claim the appropriate compensation before the competent judicial authority. Unless he has obtained a license from the Ordinary General Assembly, he is allowed to do so, and in accordance with the controls set by the competent authority.

21st Article: Expiry of membership

- The membership of the Board shall expire upon the expiry of its term or upon the expiry of the member's term of office in accordance with any law or instructions in force in the Kingdom of Saudi Arabia, and members whose term of membership has expired may be re-elected.
- The Ordinary General Assembly may at any time dismiss all or some of the members of the Board of Directors 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. A member of the board of directors may retire, provided that this is done at an appropriate time, otherwise he is liable before the company for the damages resulting from the retirement.
- If the position of a member of the board of directors becomes vacant, the board may temporarily appoint a member in the vacant position according to the order of obtaining votes, provided that he is among those who have sufficient experience. This shall be reported to the competent authorities within five working days from the date of appointment, and the appointment shall be presented to the Ordinary General Assembly in its first meeting, and the new member completes the term of his predecessor.



- If the necessary conditions for the convening of the board of directors are not met due to the fact that the number of its members is less than five, the rest of the members shall invite the ordinary general assembly to convene within sixty days to elect the necessary number of members.
- The General Assembly may, upon the recommendation of the Board, terminate the membership of a member who has been absent from three consecutive meetings of the Board without a legitimate excuse.

22nd Article: Formation of the board of directors

1. The board of directors shall appoint from among its members a chairman and a vice-chairman, and it may also appoint a managing member, and it is not permissible to combine the position of the chairman of the board and the managing member. The board of directors determines the functions of the chairman and the managing director that are not stipulated in the law and the special remuneration that each of them receives, in addition to the remuneration determined for the members of the board.
2. The board of directors appoints a secretary to be chosen by it from among its members or from others, and defines his terms of reference and remuneration.
3. The term of the chairman, his deputy, the managing director, the secretary and a member of the board of directors shall not exceed the term of their membership in the board. The Board may, at any time, dismiss them or any of them without prejudice to the right of the dismissed person to be compensated if the dismissal occurred for an unlawful reason or at an inappropriate time.
4. The Chairman of the Board of Directors represents the company before others and before all courts of all levels and types, notaries of justice, the Board of Grievances, administrative courts, commercial courts, labor courts, criminal courts, official departments, judicial and administrative bodies, judicial and quasi-judicial committees of all kinds and degrees, and labor offices, labor and zakat bodies, bank dispute settlement committees, commercial paper dispute settlement committees, primary and higher committees and bodies, primary tax zakat objections committee, tax appeal committee, customs committees of various degrees and other committees, bodies, government judicial departments and arbitration bodies, and the tasks of submitting applications in the name of the company, signing them, notifying them, delivering them and receiving them from any party, and he has the right to claim and file claims — pleading and pleading — hearing and responding to cases — acknowledgment — denial — conciliation — waiver — acquittal — requesting and rejecting the oath and refraining from it - Bringing witnesses and statements and challenging them - Answering, wounding and amending - Appealing forgery - Denying the lines, seals and signatures - Requesting a travel ban and filing it - Reviewing the detention and enforcement departments - Requesting arbitration - Appointing experts and arbitrators - Appealing the reports of experts and arbitrators, returning and replacing them — requesting for the application of Article 230 of the legal pleadings law — the request for the execution of judgments — the acceptance and denial of judgments — the objection to the judgments and the appeal request — the petition for reconsideration — the marginalization of the judgments' instruments — the request for the judge to step down — the request for insertion and interference before the Sharia courts — the administrative courts (the Board of Grievances)



At the Sharia medical committees — at the labor committees — at the financial dispute settlement committees and the banking dispute settlement committees at the securities dispute settlement committees — at the commercial paper dispute settlement offices and the commercial dispute settlement committees — at the customs committees and commercial fraud committees — at the adjudication committees In insurance disputes and violations - at the Control and Anti-Corruption Authority at the Public Prosecution - at the Supreme Judicial Council - a request to set aside the judgment before the Supreme Court - at the Committee for Consideration of Violations of the Law of Practicing Health Professions - at the Committee for Consideration of Violations of the Provisions of the Health Institutions Law, inside and outside the Kingdom of Saudi Arabia. With regard to industrial licenses, in obtaining licenses — renewal of licenses — modifying licenses — adding activity — booking names — canceling licenses — subscribing to the Chamber of Commerce — renewing subscription to the Chamber of Commerce — opening branches — transferring licenses — reviewing social insurance — reviewing civil defense — reviewing the General Assembly for zakat and income, and has the right to receive and hand over all of the foregoing, review all relevant authorities, finish all necessary procedures and sign what requires that, and he has the right to delegate all or some of the powers to others, and his agents have the right to delegate others while granting them this right.

- 5. The Vice Chairman of the Board of Directors acting on behalf the Chairman of the Board of Directors in his absence.*
- 6. In the event that a managing director is appointed for the company, he shall delegate the powers of the chairman of the board of directors according to the fourth paragraph of this article (except for judicial powers), and the board of directors shall be authorized to determine the remuneration of the managing director.*
- 7. The Board of Directors or forms a number of committees to be appointed according to the needs of the company and according to its circumstances to carry out specific tasks.*
- 8. The Board of Directors meets at least four times a year at the invitation of its chairman in accordance with the conditions stipulated in this bylaw. In all cases, the chairman of the board shall call for a meeting whenever two of the members ask him to do so.*

23rd Article: Powers of the board of directors

- 1. Taking into account the competencies established for the General Assembly, the Board of Directors shall have the widest powers in managing the company in order to achieve its purposes, and the Board may also - within the limits of its competence - delegate one or more of its members or third parties to carry out certain work or businesses.*
- 2. Setting the company's main plans, policies, strategies and objectives, supervising their implementation and reviewing them periodically, and ensuring the availability of the necessary human and financial resources to achieve them, including: Developing the company's comprehensive strategy, main work plans, and risk management policies and procedures, reviewing and directing them. Determining the optimal capital structure for the company, its strategies and financial objectives, and approving all kinds of discretionary budgets. Overseeing the main capital expenditures of the company, and owning and disposing of assets. Setting*



performance objectives and monitoring implementation and overall performance in the company. Periodic review and approval of the organizational and functional structures in the company. Verify the availability of the human and financial resources necessary to achieve the company's objectives and main plans. Establishing laws and controls for internal control and general supervision over them, including:

- a. Develop a written policy to address actual and potential conflict of interest cases for each of the Board members, executive management and shareholders, including misuse of the company's assets and facilities, and misconduct resulting from transactions with related parties.
 - b. Ensure the integrity of the financial and accounting laws, including those related to the preparation of financial reports.
 - c. Ensuring the application of appropriate control laws to measure and manage risks, by developing a general perception of the risks that the company may face, creating an environment familiar with the culture of risk management at the company level, and presenting it transparently with stakeholders and related parties to the company.
 - d. Annual review of the effectiveness of the company's internal control procedures.
 - e. Preparing clear and specific policies, standards and procedures for membership in the Board of Directors in a manner that does not conflict with the mandatory provisions in these regulations of the Capital Market Authority, and put them into practice after approval by the General Assembly.
 - f. Develop a written policy that regulates the relationship with stakeholders in accordance with the provisions of this regulation, and set policies and procedures that ensure the company's compliance with the rules and regulations and its commitment to disclosing material information to shareholders and stakeholders, and verifying compliance by the executive management with them.
 - g. Overseeing the company's financial management, its cash flows, and its financial and credit relations with others.
3. Suggesting to the extraordinary general assembly what it deems appropriate regarding the following:
- a. Increase or decrease the company's capital.
 - b. Dissolving the company before the term set in the company's articles of association or deciding its continuation.
4. Suggesting to the Ordinary General Assembly what it deems appropriate regarding the following:
- a. The use of the consensual (optional) reserve of the company in the event that it was formed by the extraordinary general assembly and was not allocated for a specific purpose.
 - b. Creating additional reserves or financial allocations for the company.
 - c. How to distribute the company's net profits.
5. Reviewing and approving the company's initial and annual financial statements before publication, preparing and approving the Board of Directors' report before its publication, ensuring the accuracy and integrity of the data and information to be disclosed, in accordance with the applicable disclosure and transparency policies and laws. Establishing effective communication channels that allow shareholders to see continuously and periodically the various aspects of the company's activities and any material developments.



6. *Forming specialized committees emanating from it by decisions specifying the duration of the committee, its powers and responsibilities, and how the council will monitor it, provided that the decision to form includes naming the members and specifying their tasks, rights and duties, with an evaluation of the performance and work of these committees and their members. Determining the types of remunerations granted to the company's employees, such as fixed bonuses, performance-related bonuses, and bonuses in the form of shares, in a manner that does not conflict with the regulatory controls and procedures issued in implementation of the Companies Law for Listed Joint Stock Companies.*
7. *Setting the values and standards that govern work in the company, and has the right to appoint employees and workers, dismiss them, request visas, bring labor from outside the Kingdom of Saudi Arabia, contract with them, determine their salaries, issue residencies, transfer and waive guarantees. The board has the right to dispose of the company's assets, property and real estate, and has the right to purchase, accept it, pay the price, mortgage, release the mortgage, sell, empty, receive the price, hand over the appraiser, receive the checks, and request the issuance of a replacement for it, subject to the following conditions: (A) That the Board specify in the sale decision the reasons and justifications for it. (B) That the sale is close to the same price. (C) That the sale is present, except in cases decided by the Board and with sufficient guarantees. (D) That such behavior does not result in the suspension of some of the company's activities or the imposition of other obligations on it.*
8. *The Board of Directors may also have the right of compromise, assignment, contract, commitment and association in the name and on behalf of the company. The Board of Directors may also carry out all acts and actions that would achieve the objectives of the company.*
9. *The board of directors may contract loans, regardless of their term, and the board of directors may also contract loans with government finance funds and institutions, regardless of their term, and commercial loans whose terms do not exceed the end of the company's term, or sell or mortgage the company's assets, or selling or mortgaging the company's commercial premises, or concluding the liability of the company's debtors from their obligations.*

24th Article: Board Members Remuneration

- *The remuneration of the members of the Board of Directors consists of a certain amount, attendance allowance for sessions, benefits in kind, or a certain percentage of net profits, and two or more of these benefits may be combined. If the reward is a certain percentage of the company's profits, then this percentage may not exceed (10%) of the net profits, after deducting the precautions decided by the General Assembly in application of the provisions of the Companies Law and the Company's Articles of Association, and after distributing a profit to shareholders of no less than (95) of the company's paid-up capital, provided that the entitlement to this reward is proportional to the number of sessions attended by the member.*
- *In all cases, the sum of the remunerations and financial or in-kind benefits that a member of the Board of Directors receives shall not exceed five hundred thousand riyals annually, in accordance with the regulations set by the competent authority.*