

**Articles of Association Sadr Logistics Services Company  
( a joint stock company listed on the Main Market)**

**Chapter 1: Incorporation of the Company**

**Article 1: Transformation**

Transferred according to the provisions of the Companies Law issued by Royal Decree No. (M/3) dated 28/01/1437 and its regulations, and in accordance with this regulation, the Al-Samaani Factory Company for Metal Industries Company, which is registered in the Commercial Register in Buraidah with No (1131012302), dated 20/8/1414 H, Limited to a Saudi joint stock company listed as follows:

**Article 2: Company Name:**

Sadr Logistics Services Company (a Saudi joint stock company listed)

**Article 3: Objectives of the Company:**

The company carries out and implements the following purposes:

1. Manufacturing industries and their branches according to industrial licenses.
2. Construction and building.
- 3- Transportation, storage and refrigeration.
4. Financial, business and other services.
5. Social, collective and personal services.
- 6 trade.
7. Information technology.
8. Security and safety.
9. Agriculture and fishing.
- 10 - Mines and petroleum and their branches,
11. Electricity, gas, water and its branches

The company conducts its activities in accordance with the applicable regulations 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 (with limited liability or closed joint stock) provided that the company's capital is not less than what is specified in the Companies Regulations issued by the Ministry of Commerce. It may 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 requirements of the regulations and instructions followed in this regard. The company may dispose of these shares or shares, and the company may, upon the recommendation of the Board of Directors, enter into commercial alliances or joint ventures with other companies.

**Article 5: The Company's Headquarters**

The head office of the company is located in the city of Riyadh, and branches, offices or agencies may be established for it inside or outside the Kingdom by a decision of the Board of Directors.

**Article 6: Duration of the Company**

The term of the company is (99) ninety-nine Gregorian years starting from the date of its registration in the Commercial Register as a joint stock company, and this period may always be extended by a decision issued by the extraordinary general assembly at least one year before the expiry of its term.

## **Chapter 2: Capital and Shares**

### **Article 7: Capital**

The company's capital is set at (175,000,000) Saudi riyals (one hundred seventy-five million Saudi riyals), divided into (17,500,000) shares (seventeen million five hundred thousand ) nominal shares of equal value, with a nominal value of ten (10) riyals each. Saudi and all ordinary cash shares.

### **Article 8: Subscription to Shares**

Shareholders have subscribed to the entire capital stock amounting to (17,500,000) shares at a value of (175,000,000) Saudi riyals (one hundred seventy-five million Saudi riyals) and the shareholders acknowledge that the entire capital of the company has already been paid upon incorporation

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

The extraordinary general assembly of the company may, according to 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 ones. On a percentage greater than the common stock holders of the company's net profits after setting aside the statutory reserve

### **Article 10: The company's purchase of its shares (treasury shares)**

The company may buy its shares in accordance with the statutory controls, and the shares purchased by the company shall not have votes in the shareholders' assemblies. The extraordinary general assembly must also approve the purchase of disgrace shares for the following:

1. If the Board of Directors or its authorized representative considers that the share price in the market is less than its fair value
2. Fulfilling the right of convertible debt instruments holders to convert them into shares in accordance with the terms and conditions of those instruments
3. Swap operations for the acquisition of shares or shares of a company or the purchase of an asset
4. Allocate them to the company's employees within the employee stock program.

### **Article 11: Bonds**

1. The company may issue - in accordance with the Capital Market Law - negotiable debt instruments or financing instruments in compliance with Islamic Sharia
2. The company may not issue debt instruments or financing instruments that are convertible into shares, except after a resolution is issued 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 issues - without the need for a new approval from this assembly - new shares in exchange for those instruments or sukuk that their holders request to be converted, immediately after the end of the transfer request period specified for the holders of those instruments or sukuk. the money

### **Article 12: Sale of Unpaid Shares**

The shareholder is obligated to pay the value of the shares on the dates specified for this, and if he fails to pay on the due date, the Board of Directors may, after informing him by e-mail or notify him by a registered letter, sell the share in the public auction or the stock market, as the case may be, in accordance with the regulations set by the competent authority.

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

Nevertheless, the shareholder who defaulted on payment 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 cancels the sold share in accordance with the provisions of this article, and gives the buyer a new share bearing the number of the canceled share and indicates in the shares register that the sale took place with the name of the new owner.

### **Article 13: Issuance of Shares**

Shares are nominal and may not be issued for less than their nominal value. Rather, they may be issued at a higher value, and in the latter case, the difference in value is added in a separate item within the shareholders' equity. It may not be distributed as dividends to shareholders. The share is indivisible in the face of 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 are jointly responsible for the obligations arising from the ownership of the share.

### **Article 14: Trading in Shares**

Shares subscribed by shareholders may not be traded until after the financial statements have been published for two fiscal years, each of which is not less than twelve months from the date of the company's transformation. The bonds of these shares are marked with an indication of their type, the date of the company's transformation, and the period during which trading is prohibited.

However, during the prohibition period, the ownership of shares may be transferred in accordance with the provisions of the sale of rights from one of the shareholders to another shareholder or from the heirs of one of the shareholders in the event of his death to third parties or in the event of execution on the funds of the insolvent or bankrupt shareholder, provided that the priority of owning those shares is for the other shareholders.

The provisions of this Article shall apply to what the founders subscribe to in the event of an increase in the capital before the expiry of the prohibition period.

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

The company's shares are traded in accordance with the provisions of the Capital Market Law

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

1. 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.
2. 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 all or some of its subsidiaries, or any of that. Shareholders may not exercise the right of priority when the company issues shares allocated to employees
3. The shareholder who owns the share at the time of the issuance of the extraordinary general assembly's decision approving the capital increase has priority in subscribing to the new shares issued in exchange for cash shares.

4. The Extraordinary General Assembly has the right to suspend the priority right of the shareholders to subscribe to the capital increase in exchange for cash shares, or to give priority to non-shareholders in the cases it deems appropriate in the interest of the company.
5. The shareholder has the right to sell or relinquish the right of priority during the period from the time of the issuance of the General Assembly's decision approving the capital increase until the last day of subscribing to the new shares associated with these rights, in accordance with the regulations set by the competent authority.
6. Taking into account what was mentioned in paragraph (4) above, the new shares shall be distributed to the priority rights holders who requested subscription, in proportion to their pre-emptive rights out of the total pre-emptive rights resulting from the capital increase, provided that what they receive does not exceed what they requested of the new shares, The remainder of the new shares shall be distributed to the priority rights holders who requested more than their share, in proportion to their pre-emptive rights out of the total pre-emptive rights resulting from the capital increase, provided that what they receive does not exceed what they requested of the new shares, and the remaining shares are offered to third parties. Unless the Extraordinary General Assembly decides or the Capital Market Law provides otherwise

### **Article 17: Capital Reduction**

The Extraordinary General Assembly may decide to reduce the capital if it exceeds the needs of the company or if it suffers losses. Only in the latter case may the capital be reduced below the limit stipulated in Article fifty-four) of the Companies Law. The reduction decision shall not be issued until after reading a special report prepared by the auditor on the reasons for it, the obligations of the company, and the 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 must 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 delinquent, or provide him with a sufficient guarantee to pay it if it is deferred.

## **Chapter 3: The Board of Directors**

### **Article 18: Company Management**

The management of the company is assumed by a board of directors consisting of (five members) elected by the ordinary general assembly of shareholders for a period not exceeding three years, with an exception to this, the founders appointed the first board of directors for a period of five years starting from the date of the company's registration in the commercial register

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

Board membership ends by a decision of the General Assembly and for any reason that the members of the General Assembly deem to be in the interest of the company. Among the reasons for termination of membership in the Board of Directors are, for example, but not limited to:

1. The expiry of its term or the expiry of the member's validity according to any regulation or instructions in force in the Kingdom
2. Death
3. Resignation
4. He shows a sign of weakness affecting his legal capacity or abilities
5. Anything that violates honor and integrity is issued by him
6. Doing something that is detrimental to the interests of the company

7. Absence of more than five separate meetings
8. Absence of three consecutive meetings

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. He shall be liable before the company for the damages resulting from his retirement and upon the termination of the membership of a member of the Board of Directors, the Board shall recommend to the General Assembly to appoint a replacement for him, within three months from the date of termination of membership.

#### **Article 20: The vacant position of the Board**

If the position of a member of the board of directors becomes vacant, the board may appoint a temporary member in the vacant position within sixty days, according to the order of obtaining votes in the assembly that elected the board, provided that he is among those who have experience and sufficiency, and it must inform the Ministry of this within five working days from the date of Appointment and presenting the appointment 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 meeting of the Board of Directors are not met due to the lack of its members from the minimum stipulated in the Companies Law or this bylaw, the remaining members must invite the Ordinary General Assembly to convene within sixty days to elect the necessary number of members

#### **Article 21: Powers of the Board**

Taking into account the powers prescribed for the general assembly, the board of directors shall have the widest powers and authorities in managing the company, supervising its business and funds, disposing of its affairs, and drawing up the general policy that it follows to achieve the purpose for which it was established, and they have the right to delegate some or all of their powers to other board members or third parties. To engage in specific work or business after the approval of the Board of Directors for all or some of the above, inside and outside the Kingdom. The Board of Directors may increase, cancel or restrict some of the powers mentioned to the Chairman of the Board of Directors, the Vice Chairman of the Board or the Managing Director mentioned in the Articles of Association, and the Board of Directors may perform these The following businesses, for example, are not limited to:

- A. Develop an internal bylaw for the work of the Board and the company, and organize the Board's meetings, decisions, and all
- B. What is related to the workflow in it, as well as setting up a regulation regulating the work of the ordinary and extraordinary general assembly, provided that the general assembly approves the regulation for the work of the ordinary and extraordinary general assembly.
- C. Concluding all contracts and agreements, for example sales and purchase contracts, lease and rental contracts, buying land, real estate and other property of assets and movable and immovable funds necessary to achieve the company's purposes, paying the price, selling those movables, emptying and accepting it, marginalizing, mortgaging, and releasing the mortgage on any of the company's properties before the courts and a letter Justice, acceptance of sale, determination of price, acknowledgment of its receipt, receipt, delivery, merging of sukuk, division, sorting, receipt of sukuk, updating and inserting them into the comprehensive regulation, waiving space shortages, deleting and adding, modifying limits, lengths, area, part numbers, plans, checks, their dates, neighborhood names, and taking out proofs of title to all properties. And agency and franchise contracts, and other documents, transactions and deals on behalf of the company and to enter into tenders on its behalf

- D. Signing all types of contracts, documents and documents, including, without limitation, company incorporation contracts, amendments, appendices, and decisions of partners in the companies in which the company participates inside and outside the Kingdom, increasing and decreasing its capital, amending and dismissing managers, amending the management clause, entering and exiting partners entering into existing companies, buying shares and shares, paying the price, and selling shares And shares, receiving value and profits, assigning shares and shares from the capital, whether it was in whole or part of it, accepting the assignment of shares, shares and capital, and they have the right to attend its founding, transformative, ordinary and extraordinary general assemblies, or delegate whatever it deems appropriate to attend the discussion, vote in the name of the company, pay fees and receive registration certificates Extracting commercial records, renewing, adding, amending and deleting, following up the procedures of merging, transferring and liquidating them before all the competent authorities, changing the legal entity of these companies to different entities, signing agreements, registering trademarks and commercial agencies, waiver of them, patent registration, opening files for the company, subscription and renewal of the Chamber of Commerce, and signing all decisions and documents required to wrap Opening branches of the company, signing contracts that transform the company's branches into independent companies with a separate legal entity, as for limited liability companies or closed joint stock companies, signing all the documents required for that, advertising in the official newspapers, interviewing all government agencies, and signing all the necessary of the above
- E. Opening accounts in all local and international banks and banks in and outside the Kingdom of Saudi Arabia, opening accounts in the name of the company, approving signature, withdrawing from accounts, depositing in them cash or checks, transferring from them, extracting and receiving an ATM card, receiving and entering secret numbers, extracting and receiving credit cards, receiving their secret numbers, extracting an account statement and extracting a ledger Checks, receiving and writing them, issuing certified checks in the company's name and receiving them, receiving and disbursing remittances, participating in and renewing safe deposit boxes, importing units of safe deposit boxes, requesting bank loans in the company's name, accepting its terms, conditions and prices, signing contracts, forms, pledges and payment schedules, receiving and disposing of the loan, providing guarantees and guarantees, presenting guarantors and being in solidarity with them, and requesting exemption from guarantors and solidarity with them. Loans, activating accounts, closing and settling accounts, disbursing checks in the name of the company, objecting to checks, receiving returned checks, updating data, opening and extending credits in the name of the company, applying and approving loans and banking facilities of all kinds from commercial banks for any amounts and signing Commercial papers, documents, checks and all banking transactions in the name of the company, issuing letters of guarantee and documentary credits on behalf of the company, as well as issuing guarantees and guarantees for the benefit of others, issuing credit accounts, promissory notes and all commercial papers, signing all kinds of contracts, documents, agreements, instruments and facilities documents after the approval of the Board of Directors on those loans and agreements. Opening investment accounts in the name of the company with all banks, legitimate financing companies, financial institutions, any companies or credit bodies, real estate and industrial funds in the name of the company, receiving and delivering the amounts paid to the company, issuing guarantees and mortgages with banks, banks, public lending funds, financing agencies, local and international investment companies, and issuing family bonds and other securities. They may also contract loans, financing and financial facilities with government financing funds and institutions, regardless of their duration, Islamic Murabaha contracts, contracts, and agreements related to treasury products, and he may contract loans with banks and commercial financial financing institutions whose terms do not exceed the end of The duration of the company, as well as concluding all contracts with the Industrial Development Fund, presenting guarantors and solidarity with them, signing before the notary public regarding the industrial mortgage, receiving the loan and waiving it, requesting exemption from it, requesting the absence of any material obligations,

repaying the loan, and they have the right to invest and operate funds in the local and international financial markets. Managing, operating and closing bank accounts, obtaining loans and other credit facilities for any period, including loans of more than three years, from funds and institutions.

- F. Reviewing the Ministry of Justice, the Ministry of the Interior, the Ministry of Foreign Affairs, the Ministry of Defense, the Ministry of Energy, Industry and Mineral Resources, the Ministry of Commerce and Investment, the Trademarks and Commercial Agencies Department, the Quality and Precious Metals Department, the Department of Free Professions, the issuance of a certificate of origin, and the request for customs exemption, and the Ministry of Finance, the Ministry of Labor, the Ministry of Health, the Health Affairs Department, and private and government hospitals and their branches And the subsequent departments, sections, and bodies, reviewing the Food and Drug Authority, reviewing the Quality and Quality Department, Standards and Metrology, telecommunications companies, establishing fixed or mobile phones in the name of the company, reviewing the General Investment Authority and signing before it, reviewing the Capital Market Authority, entering tenders, receiving investments, signing contracts for the company with others, and extracting and renewing industrial licenses amending, canceling and transferring them, reviewing social insurance, civil defense, the Department of Zakat and Income and their branches, and the departments and sections that follow
- G. Appointing employees and workers, dismissing and dismissing them, requesting visas, recruitment and contracting with them, determining their salaries and remuneration, issuing residency, exit, return and final visas, transferring and waiving guarantees, and he has the right to delegate all or some of his powers. h- Approving the establishment of subsidiaries, opening branches of the company, offices and agencies for the company, closing them, participating in and contributing to any of the existing companies or establishing them.
- H. Approval of the company's work plan and approval of its operating plans and capital budget. They have the right to delegate some of their powers to other members of the board or others to carry out specific work or works, and they have the right to delegate all or some of the aforementioned to others inside and outside the Kingdom and to dismiss him, and the agent has the right to delegate others. The Board of Directors appoints a secretary to be chosen by it from among its members or from others, and whose competence and remuneration are determined by a decision of the Board of Directors. The term of the chairman, his deputy, the managing director and the secretary of the board member shall not exceed the term of their membership in the board, and they may always be re-elected and the board may dismiss them or any of them at any time without prejudice to the right of the dismissed members to be compensated if the dismissal occurred for an illegal reason or at a time inappropriate
- I. The company's board of directors shall have the right to discharge the company's debtors from their obligations in accordance with what is in its interest, provided that the debt does not exceed five hundred thousand riyals for one debtor, and that the minutes of the board of directors include the reasons for its decision and the following conditions are observed:
  - 1) The release must take place at least one full year after the origination of the debt
  - 2) The release shall be for a specified amount as a maximum per year for one debtor
  - 3) Release is a right of the Board, and it is not permissible to delegate or delegate it

The board may also, within the limits of its competencies, delegate or delegate one or more of its members or third parties to carry out certain work or businesses that transform the company's branches into independent companies with a separate legal entity, as for limited liability companies or closed joint stock companies, and sign all the documents required for that and announce In the official newspapers, interviewing all government agencies, and signing all of the above

## **Article 22: Remuneration of Board Members**

The remuneration of the Board of Directors consists of the percentage stipulated in Article (46) of this Bylaw and within the limits stipulated in the Companies Law and its Bylaws. The Board of Directors' report to the Ordinary General Assembly must include a comprehensive statement of all the remunerations received by the Board members during the fiscal year. An allowance for expenses and other benefits, and it shall also include a statement of what the members of the Board received in their capacity as workers or administrators, or what they received in return for technical or administrative work or consultancy, and it shall also include a statement of the number of Board sessions and the number of sessions attended by each member from the date of the last meeting of the General Assembly

## **Article 23: Powers of the Chairman, Deputy, Managing Director and Secretary**

The Board of Directors appoints from among its members a Chairman and a Vice-Chairman, and he may appoint a managing member. It is not permissible to combine the position of the Chairman of the Board of Directors with any other executive position in the company. The Chairman shall have the authority to invite the Board to meet and chair the Board's meetings and the general assemblies of shareholders, and the Vice Chairman - after the approval of the Board, perform all The powers of the Board chairman in the event of his negligence and non-performance of his duties. The Board chairman is also responsible for the following matters:

- A. Representing the company in its relationship with third parties, governmental and private entities, at all government departments and authorities, before Sharia courts, judicial bodies, administrative courts (the Board of Grievances), Sharia medical committees, labor offices, workers, labor committees (primary and higher), committees for settling financial disputes, committees for the settlement of banking disputes, and offices for adjudication of paper disputes Commercial, commercial dispute resolution committees, customs committees, commercial fraud committees, the Investigation and Public Prosecution Authority, the Control and Investigation Authority, all judicial and quasi-judicial committees, arbitration bodies, civil rights, emirates, police departments, traffic, civil defense, passports and deportations, ministries, municipalities, airports, embassies, customs, ports, chambers of commerce and industry, private bodies, companies and institutions on They have the right to claim, file lawsuits, plead, defend, quarrel, hear lawsuits and respond to them, acknowledge, deny, release, conciliation, waiver, give clearances about accounting, division, sort, request an oath, reject them, and make settlements of all kinds. Bringing witnesses and evidence, challenging them, answering, wounding, amending, challenging forgeries, denying scripts, seals and signatures, requesting a travel ban and its lifting, requesting seizure and execution, requesting arbitration, appointing experts and arbitrators, challenging the reports of experts and arbitrators, returning and replacing them, requesting the application of Article 230 of the Shari'a pleadings regulation, requesting the execution of judgments, accepting and denying judgments, and objecting to judgments. And request for appeal and discrimination, a request for reconsideration, a request for rehabilitation, a request for pre-emption, and an end to what is necessary. Attending the sessions in all lawsuits filed by and against the company in all courts, receiving the amounts by check in the name of the company, receiving the judgments' instruments, requesting the judge's abdication, requesting insertion, interference, and waiving all rights, cases, donation and pre-emption They have the right to delegate all or some of what has been mentioned, and the agent has the right to delegate others
- B. Appointment of the Secretary of the Board of Directors based on the proposal of the Chairman of the Board of Directors and the approval of the members of the Board of Directors
- C. Forming committees and entrusting them with whatever powers the Board deems appropriate, and coordinating between these committees, with the aim of quickly deciding on the matters presented to them.



- D. Reviewing the Ministry of Justice, the Ministry of the Interior, the Ministry of Foreign Affairs, the Ministry of Defense, the Ministry of Energy, Industry and Mineral Resources, the Ministry of Commerce and Investment, the Trademarks and Commercial Agencies Department, the Quality and Precious Metals Department, the Department of Free Professions, the issuance of a certificate of origin, and the request for customs exemption, and the Ministry of Finance, the Ministry of Labor, the Ministry of Health, the Health Affairs Department, and private and government hospitals and their branches The departments, sections and bodies that follow, the Food and Drug Authority review, the Quality and Quality Department, the Standards and Metrology Authority, the telecommunications companies, the establishment of fixed or mobile phones in the name of the company, the review of social insurance, civil defense, the Department of Zakat and Income and their branches, and the departments and sections that follow

#### **Article 24: Board Meetings**

The Board meets at least twice a year at the invitation of its president and the invitation is in writing or delivered by hand or sent by e-mail. The path of modern technology (Online).

#### **Article 25: Quorum of the Board Meeting**

The meeting of the Board shall not be valid unless attended by the majority of the members, provided that the number of attendees is not less than 3 members in person. A member of the Board of Directors may delegate other members on his behalf to attend the meetings of the Board in accordance with the following controls:

- A member of the Board of Directors may not represent more than one member in attending the same meeting
- The representation must be fixed in writing
- The representative may not vote on decisions that the regulation prohibits the representative from voting on
- Board decisions are issued unanimously by the members present or represented therein. (In case of equal opinions, the side with which the chairperson voted shall prevail)

#### **Article 26: 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 members of the Board of Directors and the Secretary
- 2) In the event of not signing or voting on the decisions sent to the Board member, he shall be considered as agreeing to the decision taken, unless an objection is received from the member within two days from the date it was sent to his e-mail.
- 3) The approved method of correspondence between the members of the Board is by e-mail to each member and by passing, and each member of the Board of Directors is obliged to specify an e-mail of his own.

### **Chapter 4: Shareholders' Assemblies**

#### **Article 27: Attending Assemblies**

Each subscriber, regardless of the number of his shares, has the right to attend the transformational assembly, and each shareholder has the right to attend the general assembly of shareholders, and for this he may delegate another person other than the members of the board of directors or the company's employees to attend the general assembly.

### **Article 28: Transformational Assembly**

Shareholders invite all subscribers to hold the transformational assembly within forty-five days from the date of the ministry's decision licensing the transformation of the company. If this quorum is not available, the second meeting shall be held an hour after the end of the period specified for the first meeting, provided that the invitation for the first meeting shall include that.

In all cases, the second meeting shall be valid regardless of the number of subscribers represented in it

### **Article 29: Functions of the Transformational Assembly**

The transformational association is concerned with the matters mentioned in Article 63) of the Companies Law

### **Article 30: Functions of the Ordinary General Assembly**

With the exception of the matters of the Extraordinary General Assembly, the Ordinary General Assembly is concerned with all matters relating to the company, and it convenes at least once a year during the six months following the end of the company's financial year. Other ordinary general assemblies may be called whenever the need arises.

### **Article 31: Functions of the Extraordinary General Assembly**

The Extraordinary General Assembly is responsible for amending the company's articles of association, except for matters that are prohibited from amending by law. Decisions are issued on matters originally within the competence of the ordinary general assembly, in the same terms and conditions prescribed for the ordinary general assembly

### **Article 32: Invitation to associations**

General or special assemblies of shareholders are convened at the invitation of the Board of Directors, in accordance with the stipulated regulation, and the Board of Directors must invite the Ordinary General Assembly to convene if requested by the auditor, the audit committee, or a number of shareholders representing at least (5%) of the capital. The auditor may invite the assembly to convene if the board does not invite the assembly within thirty days from the date of the auditor's request.

The invitation to convene the general assembly shall be published in a daily newspaper distributed in the company's head office before the date fixed for the meeting (at least twenty one days. However, it may be sufficient to send the invitation on the aforementioned date to all shareholders by registered letters. A copy of the invitation and the agenda shall be sent to the Ministry, within Time limit for publication

### **Article 33: Record of attendance at assemblies**

Shareholders who wish to attend the general or special assembly register their names at the company's head office before the time specified for the assembly

### **Article 34: Quorum of the Ordinary General Assembly Meeting**

The meeting of the Ordinary General Assembly shall not be valid unless attended by shareholders representing at least a quarter of the capital. possibility of holding this meeting. In all cases, the second meeting shall be valid regardless of the number of shares represented therein

### **Article 35: Quorum of the Extraordinary General Assembly Meeting**

The Extraordinary General Assembly meeting shall not be valid unless attended by shareholders representing at least half of the capital. If this quorum is not available in the first meeting, the second meeting shall be held an hour after the expiry of the period specified for convening the first meeting, provided that the invitation to hold the first meeting includes an announcement of the announcement. possibility of holding this meeting. In all cases, the second meeting is valid if attended by a number of shareholders representing at least a quarter of the capital

If the necessary quorum is not available in the second meeting, an invitation is sent to a third meeting to be held in the same conditions stipulated in Article (thirtieth of this bylaw, and the third meeting will be valid regardless of the number of shares represented therein, after the approval of the competent authority

### **Article 36: Voting in Assemblies**

Each subscriber has a vote for every share he represents in the transformational assembly, and every shareholder has a vote for each share in the general assemblies, and the cumulative vote must be used to elect the board of directors.

### **Article 37: Decisions of the Assemblies**

Each shareholder has the right to discuss the topics included in the assembly's agenda and to direct questions in this regard to the members of the Board of Directors and the auditor. The board of directors or the auditor shall answer the shareholders' questions to the extent that the company's interest is not harmed. If the shareholder finds that the answer to his question is not convincing, he may resort to the assembly, and its decision in this regard is effective

### **Article 38: Presiding over associations and preparing minutes**

The meetings of the general assemblies of shareholders are chaired by the chairman of the board of directors or his deputy in his absence, or whoever is delegated by the board of directors from among its members for that in the absence of the chairman and his deputy

Minutes of the assembly meeting shall be drawn up including the number of shareholders present or represented, the number of shares they hold in person or by proxy, the number of votes that approved or disagreed with them, and a comprehensive summary of the discussions that took place at the meeting. Minutes are recorded on a regular basis after each meeting in a special register signed by the association's president, secretary and vote collector

## **Chapter 5: Audit Committee**

### **Article 39: Formation of the Committee**

A decision of the Ordinary General Assembly shall form an audit committee consisting of (3) members who are not members of the executive board of directors, whether shareholders or others.

### **Article 40: Committee meeting quorum**

For the audit committee meeting to be valid, the attendance of the majority of its members is required, and its decisions are issued by the majority of the votes of those present.

#### **Article 41: The Committee's Terms of Reference**

The Audit Committee is responsible for monitoring the company's business, and for this purpose it has the right to review its records and documents and to request any clarification or statement from the members of the Board of Directors or the Executive Management. for serious damage or loss

#### **Article 42: Committee Reports**

The Audit Committee shall consider the company's financial statements, reports and notes submitted by the auditor, and express its views on them, if any. It shall also prepare a report on its opinion regarding the adequacy of the company's internal control regulation and the other work it has carried out within the scope of its competence. The board of directors shall deposit a sufficient copy of this report at the company's head office (at least twenty-one days before the date of the general assembly, to provide each shareholder who wishes with a copy of it. The report shall be read during the assembly's meeting)

### **Chapter 6: Auditor**

#### **Article 43: Appointment of the auditor**

The company must have an auditor from among the auditors licensed to work in the Kingdom to be appointed by the ordinary general assembly annually, and to determine the remuneration and duration of his work.

#### **Article 44: Powers of the Auditor**

The auditor at any time has the right to review the company's books, records and other documents, and he also has the right to request data and clarifications that he deems necessary to obtain, in order to verify the company's assets and obligations and other things that fall within the scope of his work. The Chairman of the Board of Directors shall enable him to perform his duty, and if the auditor encounters difficulty in this regard, he shall prove this in a report submitted to the Board of Directors. If the Board does not facilitate the work of the auditor, it shall request the Board of Directors to invite the Ordinary General Assembly to consider the matter.

### **Chapter 7: Company Accounts and Profit Distribution**

#### **Article 45: The Financial year**

The company's fiscal year begins from the first of January and ends at the end of December of each year, provided that the first fiscal year begins from the date of its registration in the Commercial Register until the end of December of the following year.

#### **Article 46: Financial Documents**

- 1) At the end of each financial year of the company, the board of directors must prepare the company's financial statements and a report on its activity and financial position for the past fiscal year. This report includes the proposed method for distributing profits and the board puts these documents at the auditor's disposal forty-five days before the date set for the general assembly meeting. the least
- 2) The company's board of directors, chief executive officer, and financial manager must sign the documents referred to in paragraph (1) of this article, and copies of them shall be deposited at the company's head office at the shareholders' disposal before the date set for holding the general assembly (at least twenty-one days.(
- 3) The chairman of the board of directors shall provide the shareholders with the company's financial statements, the board's report, and the auditor's report, unless they are published in a daily

newspaper distributed in the company's head office. He must also send a copy of these documents to the Ministry, at least fifteen days before the date of the General Assembly

#### **Article 47: Distribution of profits**

The company's annual net profits are distributed as follows:

- 1) (10%) of the net profits shall be set aside to form the statutory reserve of the company, and the Ordinary General Assembly may decide to discontinue this setting aside when the said reserve reaches (30%) of the paid-up capital.
- 2) The Ordinary General Assembly 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 the shareholders. The aforementioned assembly may also deduct sums from the net profits for the establishment of social institutions for the company's employees or for the assistance that exist from these institutions.
- 3) The Board of Directors may distribute interim dividends for each quarter
- 4) In the event that the remuneration of the members of the Board of Directors is a percentage of the profits this percentage may not exceed 10% of the net profits after deducting the reserves decided by the general assembly in application of the provisions of the system and the company's articles of association and after distributing a profit to shareholders of not less than (5%) from the paid-up capital of the company.

#### **Article 48: Entitlement to profits**

The shareholder shall be entitled to his share of the profits in accordance with the resolution of the General Assembly issued in this regard. The resolution shall indicate the date of entitlement, the date of distribution, and the formation of the eligibility of profits for the shareholders registered in the shareholders' records at the end of the day specified for entitlement.

#### **Article 49: Dividend distribution of preferred shares**

- 1) If no dividends are distributed for any financial year, then no dividends may be distributed for the following years except after paying the percentage specified in accordance with the provisions of Article 114) of the Companies Law for Preferred Shareholders for that year
- 2) If the company fails to pay the specified percentage in accordance with the provisions of Article 114 of the Companies Law for a period of three consecutive years, the Special Assembly of the owners of these shares, convened in accordance with the provisions of Article 89) of the Companies Law, may decide either that they attend the meetings of the General Assembly for the company and participate in voting, or appoint their representatives to the board of directors in proportion to the value of their shares in the capital, until the company is able to pay all the priority dividends allocated to the owners of these shares for the previous years.

#### **Article 50: Company losses**

- 1) If the losses of a joint-stock company amount to half of the paid-up capital, at any time during the fiscal year, any official of the company or the auditor must immediately inform the Chairman of the Board of Directors, and the Chairman of the Board of Directors must immediately inform the members of the Board of that, and the Board of Directors must within fifteen On the days of his knowledge of this, the Extraordinary General Assembly shall be called for a meeting within forty-five days from the date of his knowledge of the losses. It was decided either to increase or reduce the company's capital in accordance with the provisions of the Companies Law, to the extent that the percentage of losses drops to less than half of the paid-up capital, or to dissolve the company Before the term specified in this Companies Regulations

- 2) The company is considered dissolved by the force of the Companies Law if the General Assembly does not meet within the period specified in Paragraph (1) of this Article, or if it meets and is unable to issue a decision on the matter, or if it decides to increase the capital in accordance with the conditions prescribed in this Article and the subscription has not taken place in every Increasing the capital within ninety days from the issuance of the Assembly's decision to increase the capital

## **Chapter 8: Disputes**

### **Article 51: Liability suit**

Each shareholder has the right to file a liability lawsuit for the company against the members of the board of directors if the mistake made by them would cause him special damage. The shareholder may not file the aforementioned lawsuit unless the company's right to file it still exists. The shareholder must inform the company of his intention to file a lawsuit

## **Chapter 9: Dissolution and liquidation of the company**

### **Article 52: Expiration of the company**

The company enters, upon its expiry, the phase of liquidation and retains the legal personality to the extent necessary for liquidation. The decision of voluntary liquidation is issued by the extraordinary general assembly. The decision of liquidation must include the appointment of the liquidator, specifying his powers and fees, restrictions imposed on his powers, and the time period required for liquidation. The period of voluntary liquidation should not exceed five years. Extension of it for more than that, except by a judicial order, and the authority of the company's board of directors ends with its dissolution. However, they remain in charge of the company's management, and they are considered to be liquidators for others until the liquidator is appointed, and the shareholders' assemblies remain in place during the liquidation period, and their role is limited to exercising their competencies that do not conflict with the competencies of the liquidator .

## **Chapter 10: Final Provisions**

### **Article 53**

The Companies Law and its regulations shall be applied in everything that is not provided for in the regulation

### **Article 54**

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