

Bylaws
For "National Gypsum Company"
(Saudi Listed Joint Stock Company)

Chapter One: Establishment of the Company

Article (1): Incorporation

In accordance with this Bylaws and the provisions of the Companies Law and its regulations and amendments, a Saudi Listed Joint Stock Company shall be established under the following terms and conditions:

Article (2): The Company's Name

National Gypsum Company (Saudi Listed Joint Stock Company)

Article (3): Company Purposes

The purpose of the company is to:

No.	Category	Code
1	Exploitation of quarries to extract stone, sand, gravel and shale.	81002
2	Manufacture of gypsum and plaster.	239430
3	Manufacture of building materials produced from plant-based and gypsum-based materials	239572
4	Manufacture of gypsum products, including (carved frames, cornices, statues, vases, and other decorative items).	239580
5	Retail sale of decorative products, industrial ceilings, insulation materials, and construction materials.	475260
6	Retail sale of construction materials, including (cement, concrete blocks, gypsum, cement tiles, etc.).	475281
7	Real estate activities in owned or rented properties - renting warehouses	681024



8	Head office activities (supervision and management of other units in the company or establishment)	701011
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The company carries out 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

1. The Company may undertake all acts and activities necessary to achieve its purpose and assist in achieving this purpose. It may have an interest or purchase shares and equities in establishments, bodies or companies that engage in similar business or may cooperate with it in achieving its purpose, whether within the Kingdom of Saudi Arabia or abroad, and to merge with them, acquire them, or affiliate with them.
2. The company may establish a company on its own (limited liability or closed joint-stock) provided that the capital is not less than five million Saudi Riyals. It may also own shares and equities in other existing companies or merge therewith. The company has the right to participate with others in establishing joint-stock companies or limited liability companies after fulfilling the requirements of the Laws, regulations and instructions applicable in this regard. The company may also dispose of these shares or equities, provided that this does not include intermediation in their trading.

Article (5): Head Office:

The head office and legal domicile of the company shall be in the city of Riyadh. The Board of Directors may establish branches, offices or agencies for it inside or outside the Kingdom of Saudi Arabia by a decision of the Board of Directors.

Article (6): Term of the Company

The Company's Term shall be ninety-nine (99) Gregorian years, starting from the date of its registration in the commercial register under number 1010001487 on 19/10/1378H (05/10/1956 G). It is always permissible to extend the duration of





the company by a decision issued by the extraordinary general assembly of shareholders before the original or extended term expires by at least one year.

Chapter Two: Capital and Shares

Article (7): Capital

The Company's capital is set at (316,666,667 SAR) three hundred and sixteen million six hundred and sixty-six thousand six hundred and sixty-seven Saudi Riyals (divided into 31,666,667 shares (thirty-one million six hundred and sixty-six thousand six hundred and sixty-seven shares) of ten Saudi Riyals each, all of which are cash shares.

Article (8): Subscription to Shares:

The shareholders have subscribed for the entire capital of the Company amounting to (316,666,667 SAR) three hundred and sixteen million six hundred and sixty-six thousand six hundred and sixty-seven Saudi Riyals divided into (31,666,667 shares) thirty-one million six hundred and sixty-six thousand six hundred and sixty-seven shares of equal value. The nominal value of each share is only (10) Saudi Riyals.

Article (9): Sale of Unpaid Shares:

1. The shareholder shall pay the value of the share on the specified dates, so the Board of Directors may be authorised by an Extraordinary General Assembly resolution to sell the share in a public auction or stock market - as the case may be - in accordance with the controls determined by the competent authority after informing them through the ways prescribed in the Company's Bylaws or by registered letter or announcement on Tadawul website or the company's website.
2. The Company shall realise and fulfill the due proceeds from the sale and return the remainder to the shareholder. In case the proceeds from the sale



are insufficient, the company may recover the remainder from all the shareholder's funds.

3. However, the shareholder who fails to make payment by the sale date may pay the due amount plus expenses incurred by the company in this regard.
4. The company shall cancel the sold share in accordance with the provisions of this article, give the buyer a new share bearing the number of the canceled share, and indicate in the shares register that the sale took place stating the name of the new holder.

Article (10): Issuance of Shares:

1. The company's shares shall be nominal and indivisible in relation to the company. If owned by multiple individuals, they shall choose one of them to be their representative in exercising the rights associated with the share. These individuals shall be jointly liable for the obligations arising from share ownership. Saudi nationals, citizens of Gulf countries, or other non-Saudi investors may own such shares. Shares shall not be issued at less than their nominal value; however, they may be issued at a higher value. In this latter case, the difference in value shall be added as a future item within the rights of shareholders, not distributable as profits to shareholders.
2. The Company may purchase or pledge its ordinary or preferred shares. The Company may purchase its shares to allocate them to the Company's employees as part of the employee share programme in accordance with the regulations set by the competent authority. Shares purchased by the company shall not have voting rights in shareholders' meetings.
3. The company may sell treasury shares according to the regulations and procedures set by the competent authority. The company may pledge its shares as collateral for debts owed to third parties, in accordance with the regulations and procedures set by the competent authority.

Article (11): Shareholders Register:





Shares are traded on the Capital Market in accordance with the provisions of the Capital Market Authority Law and its regulations and in accordance with the provisions of this AoA.

Article (12): Trading of Shares

The shares subscribed by the founders may only be traded after publishing the financial statements of two fiscal years, each of which shall not be less than (12) twelve months from the date of the company's incorporation. The warrants of these shares shall be marked with an indication of their type, date of company incorporation, and the period during which trading is prohibited. However, during the restriction period, the ownership of shares may be transferred in accordance with the provisions of rights sale from a founder to another, from the heirs of a founder in case of his death to a third party or in the event of execution on the funds of the insolvent or bankrupt founder, provided that the priority of owning those shares is given to the other founders. The provisions of this Article shall apply to what is subscribed by the founders in case of an increase in the capital before the expiry of the restriction period.

Article No. (13) - Preferred Shares:

1. The Extraordinary General Assembly may, in accordance with the principles established by the competent authority, issue preference shares or decide to purchase them, convert ordinary shares into preference shares or convert preference shares into ordinary shares. Preference shares shall not give the right to vote in general assemblies of shareholders except in the cases provided for in the relevant laws and regulations. These shares entitle their holders to receive a higher percentage than ordinary shareholders of the net profits of the company after setting aside reserves. New shares with priority over existing preferred shares may not be issued without the



consent of a special assembly, as per Article 81 of the Companies Law, comprising holders of preferred shares participating in this issuance and with the approval of a general assembly composed of all categories of shareholders.

2. Neither the shareholder's heirs nor his creditors may, under any pretext whatsoever, request the sealing of the company's books, stationery or property, nor request its division or sale in bulk due to the impossibility of division, nor interfere in any way in the management of the company. They shall only use their statutory rights in accordance with the company's bylaws and the Companies Law.

Article (14): Capital increase

1. The Extraordinary General Assembly may decide to increase the company's capital, provided that the capital has been paid in full. However, the capital is not required to be 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 yet expired.
2. The Extraordinary General Assembly may, in all cases, allocate the shares issued upon the capital increase, or part thereof, to the company's employees, subsidiaries or some or any of them. Shareholders may not exercise the right of priority when the company issues the shares allocated to employees.
3. The Extraordinary General Assembly has the right to suspend the shareholders' priority right to subscribe to the capital increase in exchange for cash shares, or to give priority to non-shareholders in the cases it deems appropriate for the interest of the company.
4. The shareholder shall be entitled to sell or assign the priority right during the period from the time of issuing the General Assembly's decision approving the



- capital increase to the last day of subscription to the new shares associated with this right, in accordance with the regulations set by the competent authorities.
5. Subject to the provisions of the above Clauses, the new shares shall be distributed among the right of preference and priority of the holders who have applied for subscription, in proportion to the right of preference and priority they own out of the total right of preference and priority resulting from the capital increase, provided that what they obtain does not exceed the number of shares they requested. The remainder of the new shares shall be distributed among the holders of priority rights who have requested more than their share in proportion to the rights of preference and priority owned by them out of the total priority rights resulting from the capital increase, provided that what they obtain does not exceed what they requested of the new shares, and the remainder of the shares shall be offered to third parties unless otherwise decided by the Extraordinary General Assembly or the Capital Market Authority Regulations.
 6. The General Assembly may decide to increase the capital by issuing new shares in exchange for shares in cash or in kind.
 7. The General Assembly may decide to issue new shares in return for the company's debts of a certain amount, provided that the issuance is at the value decided by the company's 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. This statement shall be signed by the members of the Board and the auditor who shall be responsible for its correctness.
 8. The General Assembly may decide to issue new shares in the amount of the reserve determined to be included in the capital by the extraordinary general assembly. These shares shall be issued in the same form and conditions as the traded shares, and those shares are distributed to shareholders without consideration in proportion to the original shares owned by each of them.



9. The General Assembly may decide to issue new shares in exchange for debt instruments or financing instruments.

10. The capital may be increased by one of the following methods:

- Issuing new shares in exchange for cash or in-kind contributions.
- Issuing new shares in return for the company's debts of a certain amount, provided that the issuance is at the value decided by the company's 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. This statement shall be signed by the members of the Board and the auditor who shall be responsible for its correctness.
- Issuing new shares in the amount of the reserve determined to be included in the capital by the extraordinary general assembly. These shares shall be issued in the same form and conditions as the traded shares, and those shares are distributed to shareholders without consideration in proportion to the original shares owned by each of them.
- Issuing new shares in exchange for debt instruments or financing instruments in accordance with the applicable laws in this regard.

The shareholder who owns the share, at the time of issuing the General Assembly's decision approving the capital increase, has priority in subscribing to the new shares issued in exchange for cash shares. Such shareholder shall be informed of their priority, if any, by publishing in a daily newspaper or by informing them by registered mail or any other means decided by the competent authority about the capital increase resolution, the conditions of subscription, its duration, start and end date.

Article (15): Capital Reduction

First: Reduction Cases:

- The Extraordinary General Assembly may decide to reduce the capital if it exceeds the company's needs or if the company suffers losses. In the latter case



only, the capital may be reduced below the limit stipulated in Article (59) of the Companies Law. The reduction decision shall be issued only after reading a statement at the General Assembly prepared by the Board of Directors regarding the reasons necessitating the reduction, the company's obligations and the impact of the reduction on their fulfilment. This statement shall be accompanied by a report from the company's auditors.

2. If the reduction of the capital is a result of its excess over the Company's needs, the creditors shall be invited to express any objections they may have to the reduction, if any, at least forty-five days before the scheduled date of the Extraordinary General Assembly meeting to decide on the reduction. The invitation shall include a statement explaining the amount of the capital before and after the reduction, the date of the meeting, and the effective date of the reduction. If any creditor objects to the reduction and submits their documents to the company within the specified period, the company shall either repay the debt if it is due or provide sufficient security for its future payment if it is deferred.
3. Equality among shareholders holding shares of the same type and class shall be considered when reducing the capital.

Second: Methods of Reduction:

1. The capital may be reduced by one of the following methods:
2. Cancelling a number of shares equal to the amount required to be reduced.
3. The company purchases a number of its shares equal to the amount required to be reduced, and then cancels them.
4. If the reduction of capital involves cancelling a number of shares, equality among shareholders shall be observed. They shall present to the company, on the specified date, the shares designated for cancellation. If the reduction of capital is achieved by purchasing a number of the company's shares for cancellation, shareholders shall be invited to offer their shares for sale. This invitation shall be made by notifying shareholders via registered mail or publication in a daily newspaper distributed in the region where the



company's main office is located, expressing the company's desire to purchase shares.

5. If the number of shares offered for sale exceeds the number the company has decided to purchase, sale requests must be reduced by the percentage of this excess.
6. Shares shall be purchased according to the regulations of the Capital Market Authority.

Article (16): Issuance of Debt Instruments and Financial Sukuk:

1. The company may issue, in accordance with the regulations of the Capital Market, debt instruments (compliant with Islamic Sharia) or tradable Sukuk.
2. The company may issue, in accordance with the regulations of the Capital Market, debt instruments or Sukuk convertible into shares after a resolution from the Extraordinary General Assembly of the company specifying the maximum number of shares that may be issued in exchange for those instruments or Sukuk, whether those instruments or Sukuk were issued simultaneously or through a series of issuances or through one or more programs for issuing debt instruments or Sukuk. The Board of Directors of the Company may, without the need for new approval from the Assembly, issue new shares against those instruments or sukuk whose holders request their conversion immediately after the expiry of the conversion request period specified for the holders of such instruments or sukuk. The Board of Directors of the Company shall take the necessary measures to amend this Law with respect to the number of issued shares and capital.
3. The Board of Directors of the Company shall publicise the completion of the procedures of each capital increase in the manner specified in the obligation to publicise the resolutions of the Extraordinary General Assembly or in the manner specified by the competent authority.



4. The Company may convert debt instruments or financing Sukuk into shares in accordance with the Capital Market Law.

Chapter Three: Board of Directors

Article (17): Management of the Company

The Company shall be managed by a Board of Directors consisting of nine (9) members maximum appointed by the Ordinary General Assembly for a period not exceeding three years and elected by cumulative voting.

Article (18): Candidacy for Membership of the Board:

1. Each shareholder has the right to nominate themselves or another person/s for membership of the board of directors within the limits of their ownership percentage in the capital.
2. A member of the Board of Directors shall be the owner of a number of company shares whose value is not less than ten thousand Saudi Riyals. These shares shall be deposited within thirty days from the date of appointment of the member in one of the banks designated for this purpose by the competent authority. These shares serve as a security measure to ensure the accountability of board members and cannot be traded until the General Assembly discharges the Board Member of responsibilities for his term or until the designated timeframe for resolving any liability lawsuits, as outlined in Articles (78-79) of the Companies Law, elapses, or until a verdict is issued on the said lawsuit.
3. The candidate shall be at least 18 years old and legally competent.
4. The candidate shall be a Saudi citizen of competence and integrity.
5. The candidate shall not have been convicted of a crime involving dishonor or breach of trust unless their reputation has been restored.



6. The candidate shall not serve on the boards of more than five joint-stock companies, be the chairman or vice chairman of the board in more than two companies, or serve as an executive member in more than one company.
7. The candidate must not be associated with companies engaged in banking activities.
8. The candidate must not be associated with companies managing public facilities.
9. The candidate must not be associated with companies receiving government subsidies.
10. The candidate shall not own, work for, or have any connection with companies competing with the activities of the company.
11. The candidate shall demonstrate independence, high ethical standards, interpersonal skills and commitment to enable him/her to contribute effectively to Board and Company matters.
12. The candidate shall demonstrate independence, objectivity, and the ability to act as a representative of the shareholders.
13. A member of the Board of Directors may not have any direct or indirect interest in the business and contracts carried out on behalf of the Company except with the prior authorisation of the Ordinary General Assembly, which is renewed every year. The board member shall disclose any direct or indirect interest in the business and contracts when voting on the decision made in this regard in the board of directors and shareholders' meetings, and the chairman of the board shall inform the general assembly of any business or contracts in which a board member has a direct or indirect interest upon its convening, accompanied by a special report from the external auditors of the company.

Article (19): Termination or Dismissal of Board Membership:

Board membership terminates in the following cases:

- a) If a board member fails to provide the required security shares within the specified period, their membership is deemed void.



- b) The General Assembly may, based on the Board's recommendation, terminate the membership of any member who has been absent from three consecutive board meetings without a valid excuse.
- c) The Board member may not engage in any business that would compete with the company, or compete with the company in any of its activity branches. Otherwise, the company may claim him for appropriate compensation before the competent judicial authority, unless he obtained a previous license from the Ordinary General Assembly - renewed every year - allowing him to do so.
- d) If the chairman and members of the board submit their resignations, or if the General Assembly fails to elect a new board for the company, the competent authority (either the Minister or the Capital Market Authority Board) shall appoint an interim committee of experienced individuals, as deemed suitable in number, with a chairman and vice-chairman appointed from among its members, to oversee the management of the company. The General Assembly shall be convened within a period not exceeding three months from the formation of the aforementioned committee to elect a new board for the company. The chairman and members of the interim committee shall be entitled to receive remuneration from the company, as determined by the competent authority (either the Minister or the Capital Market Authority Board) as appropriate.
- e) A joint stock company may not provide a loan of any kind to any of its directors (board members) or shareholders or guarantee any loan made by any of them with third parties.
- f) The Ordinary General Assembly may at any time dismiss all or some of the members of the Board of Directors, without prejudice to the dismissed member's right towards the company to claim compensation if the dismissal occurred for an unacceptable reason or at an inappropriate time. The Board member may retire if such retirement is at an appropriate time, otherwise he shall be liable before the company for the damages resulting from such retirement.



- g) Members of the Board of Directors may not disclose, other than at General Assembly meetings, any confidential information they have come across regarding the company, nor may they exploit what they know by virtue of their membership to achieve an advantage for themselves, a relative or a third party. Failure to comply with this provision shall result in their dismissal and a demand for compensation.
- h) The Board of Directors shall, before the end of its term, call the Ordinary General Assembly to convene to elect a Board of Directors for a new term. If the election cannot be held and the term of the current Board term has expired, its members shall continue to perform their duties until the Board of Directors is elected for a new term, provided that the period of continuation does not exceed Members of the Board, whose term has ended, as determined by the Executive Regulations of the Companies Law.
- i) If the Chairman and members of the Board of Directors resign/retire, they must call for the convening of an ordinary General Assembly to elect a new Board of Directors. The resignation/retirement does not take effect until the election of the new Board, provided that the duration of the resigned Board does not exceed the period specified in the Companies Law implementing regulations.
- j) A member of the Board of Directors may resign from their membership by submitting a written notice to the Chairman of the Board. If the Chairman of the Board resigns, the notice shall be directed to the remaining members of the Board and the Secretary of the Board. The resignation takes effect from the date specified in the notice in both cases.
- k) If a position of a Board member of a joint-stock company becomes vacant due to the death or resignation of a member, and this vacancy does not result in a deficiency in the necessary conditions for the validity of the Board's meeting due to a shortage of the number of members below the minimum, the Board may (temporarily) appoint a person with the required experience and competence to fill the vacant position. The commercial register and CMA, shall be notified of the appointment within fifteen days from the date of



appointment. The appointment shall be presented to the ordinary General Assembly at its first meeting, and the appointed member completes the remaining term of his predecessor.

- l) Should the conditions necessary for the validity of the meeting of the Board of Directors are not met because the number of its members is less than the minimum stipulated in the Companies Law or in this Law, the rest of the members must invite the Ordinary General Assembly to convene within a period of (60) days to elect the necessary number of members.

Article (20): Vice President, Managing Director and Secretary

1. The Board of Directors shall appoint from among its members a Chairman and a Vice Chairman and may appoint a Managing Director. The position of Chairman of the Board of Directors may not be combined with any executive position in the Company. The Company's Bylaws shall specify the powers of the Chairman and the Managing Director and the special remuneration that each of them receives in addition to the remuneration prescribed for the members of the Board.
2. The Board of Directors shall appoint a secretary chosen from among its members or others and shall determine his/her terms of reference and remuneration if the Company's Bylaws do not contain provisions in this regard.
3. The term of office of the Chairman, Vice Chairman, Managing Director, Secretary and Board Member shall not exceed the term of office of each of them on the Board and they may be re-elected unless the Company's Bylaws stipulate otherwise. The Board may at any time remove them or any of them without prejudice to the right of the removed person to compensation if the removal occurs for an unlawful reason or at an inappropriate time.

Article No. (21) - Board Meetings:

1. The Board of Directors shall meet at least twice a year at the invitation of its Chairman in accordance with the conditions stipulated herein. The Chairman shall call the meeting when requested by two members.



2. Board meetings can be conducted or called using modern means of communication. The company's management determines the method of meeting and the issuance of invitations in coordination with the board members, and the meetings are documented.
3. The board of directors may issue resolutions on urgent matters to be presented to the members individually, unless one of the members requests in writing a meeting of the board for discussion. These resolutions are then presented to the board at its next scheduled meeting.
4. The Board may also meet outside the Company's Head Office provided that all its members are present or represented at the meeting and that the meeting is held in the Kingdom of Saudi Arabia.

Article (22): Board Meeting Quorum:

A board meeting shall not be valid unless attended by at least five members, provided that the number of attendees does not fall below the minimum prescribed by the Companies Law.

Article (23): Attendance of Meetings:

1. A board member may not deputise someone else to attend the meeting other than another member of the board. It is permissible for one of his colleagues on the board to act as his proxy when necessary, in which case this member shall have two votes. A board member may not act as a proxy for more than one member, and the votes of absent proxies may not exceed one-third of the votes of those present.
2. A person with legal capacity - who, according to the company's regulations, has the right to appoint representatives in the board of directors - may not vote on the selection of other members of the board of directors.

Article (24): Board Resolutions:



Board resolutions are issued by a majority vote of the members present or represented. In case of a tie, the side supported by the chairman of the session prevails.

Article No. (25) - Deliberations of the Board:

The deliberations of the board of directors and its resolutions are documented in minutes signed by the chairman of the board, the attending board members, and the secretary. These minutes are recorded in a special register signed by the chairman of the board and the secretary.

Article (26): Powers of the Board:

Subject to the competencies established for the General Assembly, the Board of Directors and its Chairman shall have the broadest authorities and powers in managing the company to achieve its objectives in accordance with the Companies Law, including but not limited to the following:

1. The right to participate in other companies and may, within the limits of its powers, authorise one or more of its members or third parties to undertake a specific work or works; the right to manage its affairs and dispose of its assets, properties and real estate; the right to sell, mortgage or de-mortgage the company's real estate without the approval of the AGM; the right to appoint and dismiss employees and workers, request visas, recruit labour from outside the Kingdom, contract therewith, determine their salaries, issue residence permits, and transfer and waive sponsorships; the right to enter into loans with government finance funds and organisations as well as commercial loans; and the right to discharge the Company's debtors from their obligations in accordance with the interests of the Company, provided that the minutes of the discharge shall contain all the details of the discharge and the debt,



provided that the Board of Directors shall take into account the terms of its resolution to discharge the debt as follows:

- The discharge of the debt shall be at least one year after the creation of the debt.
 - The discharge shall be for a specific amount not exceeding 1% of the company's capital for each debtor per year.
 - The total debts discharged by the Board of Directors for one debtor shall not exceed one million riyals in one year.
 - The Board of Directors shall obtain the approval of the General Assembly when selling assets whose value exceeds (fifty percent) of the value of its total assets, whether the sale is made through a single transaction or several transactions, and in this case it is considered The transaction that leads to exceeding (fifty percent) of the value of the assets is the transaction that requires the approval of the General Assembly, and this percentage is calculated from the date of the first transaction that took place during the previous (twelve) months.
2. The right to represent themselves before civil courts, police departments, passport offices, municipalities, and all other governmental entities, chambers of commerce and industry, authorities, and representation at the General Authority for Investment, private entities, companies, and organizations of all kinds. They shall have the right to contract on behalf of the company and act on its behalf, participate in tenders, conduct all activities and transactions, including but not limited to, signing Articles of Association of companies in which the company participates with other companies and individuals, signing amendment resolutions for these companies and the participating companies, signing agreements, mergers, acquisitions, and deeds before notaries public and official authorities, entering into loans under the Shariah-compliant guidelines with government financial funds and commercial loans, including any relevant documents such as collateralizing accounts, real estate mortgages, balances, current and investment accounts, bank guarantees,



company shares, pledging and releasing them, and any other guarantee documents. They shall also have the right to contract loans from the company as a partner, issue legal powers of attorneys on behalf of the company, provide guarantees, and sign the necessary documents, attachments, promissory notes, bonds, checks, and assign the same to others, as well as all banking transactions necessary for the company's activities, including real estate mortgage and release, movable or immovable property, shares, and deposits with banks, appointing signatories and determining their authorities or revoking them, requesting banking facilities for the company or the companies in which the company participates, issuing banking guarantees, signing all papers, documents, bills, and bonds for others, signing guarantees in the name of the company to guarantee third parties or to guarantee companies in which the company participates, issuing financial guarantees and fines, signing Islamic Murabaha agreements, investment contracts, waiving rights and benefits, leasing, collecting rent, setting company policies regarding all other matters related to employees and staff of the company, as well as signing mortgages for the benefit of government and private banks, industrial development funds, real estate, agricultural, and investment funds, selling, purchasing, vacating, leasing, renting, transferring, accepting, receiving, delivering, accepting gifts, amending and obtaining bonds, issuing replacements for them, appointing and dismissing representatives, agents, and advisors, absolving and dropping the complete right to establish other companies owned entirely by the company inside or outside the Kingdom, or participating with others in establishing other companies inside or outside the Kingdom, or withdrawing from these companies, selling the company's shares in these companies, or purchasing new shares in them, or in existing companies, increasing or decreasing their capital, whether the company contributed to the increase or not, receiving profits, voting on behalf of the company on decisions of partners, shareholders' assemblies, founding assemblies, signing all resolutions of partners and shareholders, and making



any amendments to the Articles of Association of these companies, whatever their type.

3. The Board of Directors shall consider the following conditions when contracting loans with a term exceeding three years:
 - The Board of Directors shall determine in its resolution the purposes of the loan and the method of repayment.
 - It shall be taken into consideration that the conditions of the loan and the guarantees provided to it shall not cause harm to the Company, its shareholders and the general guarantees of the creditors.
4. Drawing the company's general policies in line with its purposes, achieving its objectives, and conducting all transactions within the company's purposes.
5. The right to sign all contracts and agreements on behalf of the company and undertake all legal and regulatory actions on behalf of the company, such as buying, selling, investing, reconciliation agreements, settlements, waivers, receipts, payments, and all legal and regulatory procedures necessary for that.
6. The right to dispose of real estate that has been registered in the name of the company, buy, sell and lease real estate for the benefit of the company without a maximum value limit, or mortgage and unmortgage the company's real estate and assets, provided that the minutes of the board of directors meeting and the justifications for its decision to dispose of them include the following conditions:
 - The Board shall specify the reasons and justifications for the sale (if it is outside the company's purposes and activities).
 - The sale price shall be at least fair market value.
 - The sale shall be for cash unless necessary, with sufficient guarantees.
 - This action shall not result in the cessation of some of the Company's activities or burden it with other obligations.
7. Leasing and operating real estate, signing all contracts and agreements related thereto, and receiving and depositing fees into the company's account with local banks.



8. Planning and subdividing lands.
9. Representing the company before all government authorities, ministries, institutions, public bodies, private companies, and establishments.
10. Approving participation in existing companies or participation in establishing new companies of various types, signing their Articles of Association and any amendments thereto, before notaries public and all governmental and private bodies authorized to do so.
11. Appointing and dismissing directors and employees, as well as determining their salaries, bonuses, and powers.
12. Opening and closing bank accounts in the company's name, issuing and signing checks, withdrawing from those accounts for the company's benefit and its activities, opening credits, issuing guarantees, letters of credit, mortgaging with banks and public lending funds, and local financing entities.
13. Appointing various committees, especially the Audit Committee and the Nomination and Remuneration Committee, affiliated with the Board of Directors, which determines their members, authorities, and working methods according to the purpose for which they are established.
14. In general, managing the daily affairs of the company and making decisions that do not conflict with the legal authorities mentioned.

The Board of Directors shall have all the above powers as well as the right to delegate or authorize others to exercise them, either in whole or in part. Some of the powers mentioned above may be delegated by the Board of Directors to a member of the Board of Directors or delegated to others, whether the delegate or the principal is one or more.

The delegate or authorized person in any of the above powers, as per the POA or the authorization granted thereto, may delegate or authorize others in all or part of the powers granted thereto.

Article (27): Powers of the Board Chairman:



The Chairman of the Board of Directors represents the company before the judiciary, arbitration bodies, and others. By written decision, the Chairman may delegate some of his powers to other members of the Board of Directors or to others to undertake specific tasks or actions. The Vice Chairman of the Board of Directors shall replace the Chairman in his absence, and shall have the following powers:

1. The right to sign on behalf of the company, individually, for both the Chairman of the Board of Directors and the appointed members of the Board of Directors after obtaining a decision from the Board of Directors, within the limits specified by the company's bylaws and regulations, and any other member appointed by the Board for this purpose.
2. The Board of Directors also has the right to appoint several managers or authorized representatives and to grant them the authority to sign on behalf of the company individually or collectively. The chairman of the board is also entitled to delegate others with some or all of his powers.

Article (28) - Vice Chairman:

The vice Chairman of Board of Directors shall assume the role of the president in his absence or by means of delegation therefrom.

Article (29) - Board Responsibility:

1. Board members shall share collective responsibility for compensating the company, shareholders, or third parties for any damages resulting from mismanagement, breaches of legal provisions, or violations of the Law or the company's regulation and bylaws. Any condition contradicting this is considered invalid. If a mistake occurs due to a decision unanimously agreed upon by the board, all members are accountable. However, for decisions made by majority vote, dissenting members who clearly express





their objection in the meeting minutes are not liable. Being absent from the meeting where a decision is made does not absolve one from responsibility unless it can be proven that the absent member was unaware of the decision or unable to object after being informed.

2. The General Assembly may, based on the Board's recommendation, terminate the membership of any member who has been absent from three consecutive board meetings without a valid excuse.
3. The approval of the ordinary General Assembly to absolve the members of the board of directors from liability does not prevent the initiation of a lawsuit.
4. A liability lawsuit shall not be litigated after three years from the date of discovering the harmful act, except in cases of fraud or forgery. In all cases, a liability lawsuit cannot be litigated after five years from the end of the fiscal year in which the harmful act occurred, or three years from the termination of a board member's term, whichever is later.

Article (30): Remuneration of Board Members:

1. Remuneration of Board Members The minimum annual remuneration for the Chairman and members of the Board of Directors shall be SAR (200,000) and the maximum shall be SAR (500,000) per year for their membership in the Board of Directors and their participation in its activities, inclusive of additional bonuses in case a member participates in any committee formed by the Board of Directors.
2. If the Company achieves profit, a percentage equivalent to (10%) of the net profits shall be distributed, after deducting the reserves decided by the General Assembly and after distributing a profit not less than (5%) of the company's paid-up capital to the shareholders, provided that the entitlement to this remuneration shall be proportional to the number of



- sessions attended by the member, and any assessment to the contrary shall be deemed void.
3. In all cases, the total remunerations and financial or in-kind benefits received by a Board member shall not exceed five hundred thousand SAR (500.000) annually.
 4. The maximum allowance for attending the sessions of the Board and its committees shall be (SAR 5000) Five thousand riyals for each session, excluding travel and accommodation expenses.
 5. The actual expenses incurred by each Board member including the Chairman in order to attend the meetings of the Board or the committees emanating from the Board, including travel, accommodation and subsistence expenses, shall be repaid thereto.
 6. The report of the Board of Directors to the Ordinary General Assembly shall include a comprehensive statement of what is received by the Board members during the fiscal year including remuneration, expense allowance and other benefits. It shall also include a statement of the remuneration received by board members for their roles as employees or administrators, or for technical, administrative, or consulting services provided. Additionally, it should contain a record of the number of board meetings held and the attendance of each member since the last general assembly meeting.

Chapter Four: Shareholders' Assemblies

Article (31): Shareholders' Assemblies:

1. The General Assembly, properly constituted, shall represent all shareholders and convenes in accordance with the conditions and procedures stipulated in the Companies Law.
2. Each shareholder has the right to attend the General Meetings of Shareholders and may delegate another shareholder to represent them. It



is not permissible to delegate members of the Board of Directors or employees of the company to attend the General Assembly.

3. Meetings of the shareholders general assemblies may be held and the shareholder may participate in its deliberations and vote on its resolutions by means of modern technology according to the controls set by the competent authority.

Article No. (32) - Voting in Assemblies' Meetings:

1. Ordinary voting shall be used on the items of the assembly except for the election of the Board of Directors, where cumulative voting is used. The right to vote for a share cannot be used more than once.
2. Members of the Board of Directors are not allowed to participate in voting on assembly resolutions related to absolving them from liability for managing the company or those related to their direct or indirect interests.
3. Members of the Board of Directors are not allowed to participate in voting on assembly resolutions related to business and contracts in which they have a direct or indirect interest or which involve conflicts of interest.

Article No. (33) - Attendance Record of Shareholders:

Shareholders who wish to attend the general or private assembly shall register their names at the company's head office before the time set for the assembly.

Article No. (34) - Calling of Assembly Meetings:

1. General or special meetings of shareholders shall be convened by the Board of Directors in accordance with the provisions of the Company's Bylaws. The Board of Directors shall call for the ordinary general assembly to convene if requested by the auditors, audit committee, or a number of shareholders representing at least (5%) of the capital. The auditors may



also call for the assembly to convene if the Board fails to do so within thirty days from the date of the auditors' request.

2. The competent authority may call for the ordinary general assembly to convene in the following cases:

If the period specified for convening, as stipulated in Article (88) of the Law, has elapsed without convening.

- a) If there are irregularities in the provisions of the Law or the Company's Bylaws, or dysfunctions in the management of the Company, including a deficiency in the number of Board members below the minimum required for a valid meeting.
- b) If the Ordinary General Assembly hasn't been called by the Board of Directors within the timeframe stated in paragraph 1 of this article following either the auditors' request or the request from shareholders representing at least (ten percent) of the company's shares entitled to vote.

The competent authority has the powers to arrange for the Ordinary General Assembly to convene, and it may preside over the meeting of that assembly in the event that the members are unable to attend in accordance with Paragraph (1) of Article Eighty-Fourth (84) of the Law.

3. A number of shareholders representing at least 2% of the share capital may submit a request to the competent authority to convene the Ordinary General Assembly if any of the conditions stipulated in paragraph (2) of this Article exist. The competent authority shall issue the invitation to convene within thirty days from the date of submission of the shareholders' request, provided that the invitation includes an agenda of the Assembly's business and the items to be approved by the shareholders.



4. The request referred to in paragraph (1) of this Article shall specify the matters on which the shareholders are required to vote.
5. Notice of the convening of the meeting of the assembly shall be given not less than twenty-one (21) days before the date fixed for the meeting, in accordance with the provisions of the Bylaws, taking into account the following:
 - a) Notice of the meeting shall be given to shareholders by registered mail to their addresses as shown in the Register of Shareholders, or by publication of the notice using modern technological means.
 - b) A copy of the notice of the meeting and the agenda shall be sent to the Commercial Register, and a copy to the Capital Market Authority if the company is listed on the Capital Market on the date of the notice.
6. The invitation to the assembly meeting shall include at least the following:
 - a) Statement of the right holder to attend the assembly meeting and the right to delegate a person of his choice who is not a member of the management, as well as the right of the shareholder to discuss the topics on the agenda, ask questions and exercise the right to vote.
 - b) Venue, date, and time of the meeting.
 - c) The type of assembly, whether it is a general or special assembly.
 - d) Agenda of the meeting, including the items requiring the shareholders' vote.

Article (35): Publicizing the invitation to the General Assembly:

The invitation to convene the General Assembly shall be published in a daily newspaper distributed in the region where the company's main headquarters is located, at least ten days before the scheduled meeting. However, it is permissible to suffice by sending the invitation to all shareholders through registered letters at the mentioned time, and a copy of the invitation and agenda shall be sent to the competent authority (the Ministry - Capital Market Authority) within the specified publication period.



Article No. (36) - Chairing of the Assemblies:

The shareholder's general assembly meetings shall be chaired by the chairman of the board of directors, his deputy in case of his absence, or whoever is delegated by the board of directors from its members in case of the absence of the chairman and his deputy.

Article (37): Convening Assembly Meetings:

The General Assembly shall be convened every year within six months following the end of the company's fiscal year, at the place, day, and time specified in the meeting invitation announcement.

Article (38): Shareholders' Rights in Meetings:

Each shareholder has the right to discuss the agenda items of the assembly and direct questions regarding them to the members of the Board of Directors and the auditors. Any provision in the Company's Bylaws that deprives the shareholder of this right shall be null and void. The Board of Directors or the auditors shall answer the shareholders' questions to the extent that does not jeopardize the company's interests, and if the shareholder finds the response unsatisfactory, they may resort to the assembly, and its decision in this matter shall be binding.

Article (39): Quorum of the Ordinary General Assembly Meeting:

1. The Ordinary General Assembly Meeting shall not be valid unless attended by shareholders representing at least one quarter of the company's shares with voting rights.
2. If the required quorum for convening an Ordinary General Assembly meeting according to paragraph (1) of this article is not met, a second meeting shall be called under the same conditions specified in Article (91) of the Companies



Law within thirty days following the date set for the previous meeting. However, the second meeting may be held one hour after the expiry of the period specified for the first meeting, provided that the invitation to the first meeting indicates the possibility of holding such meeting. In all cases, the second meeting shall be valid if attended by shareholders representing at least one-fourth of the shares with voting rights.

Article (40): Quorum of the Extraordinary General Assembly Meeting:

1. The Extraordinary General Assembly Meeting shall not be valid unless attended by shareholders representing at least one half of the company's shares with voting rights.
2. If the required quorum for convening an Extraordinary General Assembly meeting according to paragraph (1) of this article is not met, a second meeting shall be called under the same conditions specified in Article (91) of the Companies Law. However, the second meeting may be held one hour after the expiry of the period specified for the first meeting, provided that the invitation to the first meeting indicates the possibility of holding such meeting. In all cases, the second meeting shall be valid if attended by a number of shareholders representing at least a quarter of the company's shares with voting rights.
3. If the required quorum for convening the second meeting is not met, a third meeting shall be called under the same conditions specified in Article (91) of the Companies Law. The third meeting shall be valid regardless of the number of voting shares represented therein.

Article No. (41): Decisions and Minutes of Assemblies:

1. Resolutions of the assembly shall be issued by an absolute majority of the shares represented at the meeting, and in the event of a tie, the side voted by the chairman of the assembly prevails.



2. The minutes of the meeting shall include the number of shareholders present or represented, the number of shares held in their possession in person or by proxy, the number of votes cast, the resolutions adopted, the number of votes cast in favour or against them and a full summary of the discussions that took place in the meeting. The minutes shall be recorded regularly after each meeting in a special register signed by the Chairman, the Secretary and the vote collector.
3. The General Assembly may not deliberate on matters not listed in the agenda specified in the invitation announcement.
4. Without prejudice to the rights of bona fide third parties, the resolutions of shareholders' assemblies shall be binding on all shareholders, including absent, dissenting, disqualified and unqualified shareholders.
5. Decisions of the extraordinary general assembly are issued with the approval of two-thirds of the voting rights represented at the meeting, except in matters related to increasing or decreasing the capital, extending or dissolving the company before the expiry of its specified term in its articles, merging with another company, or splitting into two or more companies. In such cases, the decision is not valid unless approved by three-fourths of the voting rights represented at the meeting.

Article (42): Discussion in the Assemblies:

Each shareholder shall have the right to discuss the topics listed on the General Assembly 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 compromised. If a shareholder deems the answer to his question unconvincing, he shall appeal to the general assembly whose decision in this regard is enforceable.

Article (43): Passing General Assembly Resolutions:



1. The Chairman of the Board of Directors shall have the right to propose a resolution to the General Assembly by passing it to the shareholders, without the need to convene the General Assembly unless any of the shareholders request - in writing - a General Assembly meeting to deliberate on it. However, General Assembly resolutions relating to the election and removal of the members of the Board of Directors, appointment and removal of the Company's auditor, if any, and reviewing and discussing the financial statements for the past fiscal year shall require the General Assembly to be convened in accordance with the relevant provisions.
2. For the validity of the resolution proposed to be issued in accordance with paragraph (1) of this Article, the Company shall send it together with the relevant documents to all shareholders, indicating what the shareholder must follow to approve it and the date by which it must be issued.
3. General Assembly resolutions shall be passed in accordance with the following:
4. Decisions that fall within the competency of the Ordinary General Assembly: Issued with the approval of one or more shareholders representing a majority of the voting rights.
5. Decision that falls within the Competency of the Extraordinary General Assembly: Issued with the approval of one or more shareholders representing seventy-five per cent of the voting rights.
6. General Assembly resolutions passed in accordance with paragraph (3) of this Article shall be recorded in minutes and entered in the special register provided for in Article (97) of the Companies Law.

Article (44): Competencies and Functions of the Extraordinary General Assembly:

1. Except the matters related to the extraordinary general assembly, the ordinary general assembly shall be concerned with all matters related 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 a need therefore may arise.

2. The Extraordinary General Assembly shall be competent to amend the Company's Bylaws, except for matters related to:

a) Deprivation or modification of any of the shareholder's fundamental rights, particularly:

- Receiving a share of profits decided for distribution, whether in cash or through issuing free shares to non-employees of the company and its subsidiaries.
- Receiving a share of the company's assets upon liquidation. Attending general shareholders' meetings, participating in their deliberations, and voting on their resolutions.
- Dealing with their shares according to the provisions of the regulations.
- Requesting access to the company's books and documents, monitoring the board of directors' activities, filing a lawsuit against board members for liability, and challenging the validity of resolutions passed by general shareholders' meetings.
- Priority subscription to new shares issued against cash unless otherwise specified in the bylaws.

b) Amendments that would increase financial burdens on shareholders unless all shareholders agree to it.

c) Relocating the company's headquarters outside the Kingdom.

d) Changing the company's nationality.

In addition to its prescribed competencies, the extraordinary general assembly is authorized to issue resolutions on internal matters originally within the jurisdiction of the ordinary general assembly, under the same conditions and circumstances specified for the ordinary general assembly.

Article (45): Quorum in the Extraordinary General Assembly:



1. The extraordinary general assembly shall not be valid unless attended by shareholders representing at least half of the capital, unless the company's bylaws specify a higher percentage, provided it does not exceed two-thirds.
2. If the necessary quorum for holding the extraordinary general assembly is not met according to paragraph (1) of this article, the invitation shall be extended to a second meeting to be held under the same conditions stipulated in Article (91) of the regulations. However, the second meeting may be held after an hour from the end of the period specified for the first meeting, provided that the invitation to the first meeting indicates the possibility of holding this meeting. In all cases, the second meeting shall be valid if attended by a number of shareholders representing at least a quarter of the capital.
3. If the necessary quorum is not met in the second meeting, according to Article (58), the invitation shall be extended to a third meeting to be held under the same conditions stipulated in Article (91) of the regulations, and the third meeting shall be valid regardless of the number of shares represented therein after obtaining the approval of the competent authority.
4. Resolutions of the extraordinary general assembly shall be issued by a majority of two-thirds of the shares represented at the meeting if the resolution pertains to an increase or decrease in capital, extension of the company's duration, dissolution before the expiration of the period specified in its bylaws, or merger with another company. Such resolutions shall not be valid unless passed by a majority of three-quarters of the shares represented at the meeting.
5. The board of directors shall announce, in accordance with the provisions of the regulations, the resolutions of the extraordinary general assembly if they include amendments to the bylaws.

Chapter Five: Auditors

Article (46): Appointment, Removal, and Resignation of the Company's Auditors:



1. The company shall have one or more auditors licensed in the Kingdom, appointed and their fees, duration of service, and scope determined by the general assembly, and they may be reappointed, provided that their appointment period does not exceed the duration stipulated by the regulations.
2. By a resolution of the general assembly, auditors may be removed, and the chairman of the board of directors shall notify the competent authority of the removal and its reasons within a period not exceeding (five) days from the date of the resolution.
3. Auditors may resign from their duties by written notification to the company, and their duties shall end from the date of submission or on a later date specified in the notification, without prejudice to the company's right to compensation for any damage incurred if warranted. Resigning auditors shall provide the company and the competent authority, upon submitting the notification, with a statement of the reasons for their resignation. The board of directors shall call the general assembly to convene to consider the reasons for resignation, appoint another auditor, determine their fees, duration of service, and scope.

Article (47): Powers of the Auditor:

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 Chairman of the Board of Directors shall enable him to perform his duty, and if the auditor encounters difficulty in this regard, he shall record the same in a report submitted to the Board of Directors. If the Board of Directors does not facilitate the work of the auditor, he shall request the Board to invite the general assembly to consider the matter. The auditor may extend this invitation if the Board of Directors fails to do so within a period of thirty (30) days from the date of the auditor's request.



Article (48): Auditor's Report:

Auditors are required to present to the annual ordinary general assembly a report prepared in accordance with generally accepted auditing standards. The report shall include the management's position regarding their access to the data and clarifications requested, any violations of the regulations or the company's bylaws detected, and an assessment of the fairness of the company's financial statements. The auditor shall read their report at the general assembly, and if the assembly decides to approve the board of directors' report and financial statements without hearing the auditor's report, their decision shall be void.

Article (49): Confidentiality of the Auditor's Report:

1. Auditors are prohibited from disclosing to shareholders outside the general assembly or to third parties any confidential information they come across in their work. Failure to comply shall result in their removal and may lead to compensation claims against them.
2. Auditors are liable for any damages incurred by the company, shareholders, or third parties due to errors in their performance of duties. If multiple auditors are involved in the error, they shall be jointly liable.

Chapter Six: Company Finances and Dividends

Article (50): Fiscal year:

The company's fiscal year starts from the beginning of January and ends at the end of December of each year, provided that the first fiscal year starts from the date of its registration in the commercial register as a joint stock company until the end of December of the following year.

Article (51): Financial Documents

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 financial year. This report shall include the



- proposed method for distributing profits. The Board shall put those documents under the control and at the disposal of the auditor, if any, at least forty-five days, prior to the date set for the General Annual Ordinary General Assembly.
2. The documents referred to in paragraph (1) of this Article shall be signed by the Company's Chairman of the Board of Directors, its Chief Executive Officer, and its Chief Financial Officer, if any, and copies shall be deposited at the Company's head office at the disposal of the shareholders.
 3. The Chairman of the Board of Directors shall provide the shareholders with the Company's financial statements and the Board of Directors' report after being signed as well as the auditor's report (if any), unless published in any of the modern technology liquids, at least twenty-one (21) days before the date set for the Annual General Assembly, and shall also deposit these documents as specified in the executive regulations of the Companies Law.
 4. The Chairman of the Board of Directors shall provide the shareholders with the company's financial statements, the Board of Directors' report and the auditor's report unless published in a daily newspaper distributed at the company's head office. He shall also send a copy of these documents to the Ministry and to CMA if the company is listed on the Capital Market at least fifteen days before the date of the General Assembly.
 5. The tabulation of the financial statements for each financial year shall take into account the tabulation used in previous years. The basis for evaluating assets and liabilities shall remain constant, without prejudice to generally accepted accounting standards. The Board of Directors shall, within thirty days from the date of approval by the General Assembly of the financial statements, the Board of Directors' report, the auditor's report and the Audit Committee report, file copies of the said documents with the Ministry and with the Capital Market Authority (CMA).

Article (52): Forming Reserves:



1. The Ordinary General Assembly, when determining the quota of equity in the net profits, may decide to form 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. Additionally, the said assembly has the right to allocate amounts from the net profits to achieve social purposes for the company's employees.
2. The General Assembly shall determine the percentage to be distributed to the shareholders from the net profits after deducting the reserves, if any.

Article (53): DIVIDENDS:

Annual dividends are distributed to shareholders after deducting depreciation, expenses, other costs, and Zakat as follows:

1. Subject to the provisions of other relevant laws, (10%) of the net profits shall be set aside annually to form the Company's statutory reserve. The Ordinary General Assembly may decide to stop this set aside once the said reserve reaches (30%) of the paid-up capital. The Company's Bylaws may provide for setting aside a certain percentage of the net profits to form an contingency reserve for the purposes specified in the said Bylaws.
2. The statutory reserve serves the purpose of either offsetting company losses or bolstering its capital. Should this reserve surpass 30% of the paid-up capital, the general assembly retains the authority to allocate the surplus to shareholders during years when the company fails to generate adequate net profits for distributing dividends as outlined in its AoA.
3. Following the aforementioned allocations, a minimum share of no less than half a percent is disbursed to shareholders from the paid-up capital. If profits in a given year do not permit the distribution of this share, it may not be claimed from the profits in subsequent years.
4. Ten per cent (10%) of the remainder shall be allocated for the remuneration of the members of the Board of Directors, not exceeding SAR 500,000 for



- each member, and a specific amount may be recommended to the Ordinary General Assembly in accordance with Article (29) of these AoA.
5. If such remuneration is based on a specific percentage of company profits, this percentage cannot exceed 10% of net profits after deducting the reserves determined by the general assembly according to the company's AoA. Additionally, after distributing dividends to shareholders, it shall not be less than 5% of the company's paid-up capital. The entitlement to this remuneration is subject to the regulations set by the competent authority.
 6. An additional share of profits is distributed to shareholders from the remaining amount.
 7. Upon the recommendation of the Board of Directors, the General Assembly may decide how to dispose of the remaining profits in the best interest of the company
 8. The board of directors' report to the ordinary general assembly shall include a comprehensive statement detailing all remuneration, allowances, benefits, and any other advantages received by board members during the fiscal year. This includes remunerations received by board members as employees, administrators, or for technical, administrative, or consultancy services. Additionally, the report shall specify the number of board meetings held during the fiscal year and the attendance of each member in these meetings since the last general assembly meeting.
 9. The Ordinary General Assembly may, when determining the shareholders' share in the net profits, decide to form other reserves to the extent that serves the interest of the Company or ensures the distribution of second profits as safely as possible to the shareholders. The said Assembly may also deduct from the net profits amounts to establish social institutions for the Company's employees or to assist any existing such institutions.
 10. The contingency reserve cannot be used without a decision from the extraordinary general assembly. If this reserve is not allocated for a specific purpose, the ordinary general assembly, based on a proposal from the board



of directors, may decide to allocate it for the benefit of the company or shareholders.

11. The company may distribute interim dividends to its shareholders annually, semi-annually, or quarterly in accordance with the regulations issued by the Capital Market Authority, based on authorization from the ordinary general assembly to the board of directors to distribute interim dividends.

Article (54): Entitlement to Profits:

1. Under a resolution by the General Assembly issued in this regard, a shareholder shall be entitled to his/ her own share of the profits, while such resolution shall indicate the date of maturity and the date of distribution, and the entitlement to the dividends shall be for the shareholders registered in the shareholders' register at the end of the day specified for the entitlement.
2. The Ordinary General Assembly may utilise retained earnings and distributable reserves to pay the remaining amount of the share value or part thereof without prejudice to the equality between the shareholders.

Chapter Seven: Committees

Article (55): Audit Committee:

First: Formation of the committee:

The Committee shall be formed by a resolution of the Ordinary General Assembly, provided that the number of its members shall not be less than three and not more than five from non-executive members of the Board of Directors, whether shareholders or others. The resolution shall specify the tasks of the Committee, its work rules, duration and remuneration of its members.

Second: Committee Meeting Quorum





The meeting shall be valid only if a majority of its members are present. Its resolutions shall be issued by a majority of the votes of those present, and in case of equality of votes, the side with which the Chairman of the Committee votes shall prevail.

Third: Functions of the audit committee:

The Audit Committee shall be assigned with monitoring the Company's business and for this purpose it shall have the right to view its records, books and documents and request any inquiries or statements from the members of the Board of Directors or the executive management, and it may request the Board of Directors to convene the General Assembly of the company if the Board of Directors obstructs its work or if the company suffers serious damage or losses.

Fourth: Audit Committee's Reports:

The audit committee shall review the Company's financial statements, reports and notes submitted by the auditor and express its views thereon, if any. It shall also prepare a report on its opinion regarding the adequacy of the internal control regulations or code in the Company and the other work it has undertaken within its Terms of Reference. The Board of Directors shall deposit sufficient copies of this report at the Company's head office at least ten days prior to the date of the General Assembly to provide each shareholder with a copy of the report. The report shall be read during the meeting.

Article (56): Nominations and Remuneration Committee:

First: Duties and Formation of the Nominations and Remuneration Committee

1. Formation of the audit committee:

The Board of Directors shall form a committee (Nomination and Remuneration Committee) consisting of three members

2. Duties of the Nomination Committee:





The recommendation to the Board of Directors for board nominations, adhering to approved policies and criteria, with careful consideration to refrain from nominating individuals with a history of criminal convictions that undermine integrity and honesty encompasses:

- a) Annually conducting a thorough assessment of the skill prerequisites for Board membership and crafting a detailed outline of the essential competencies and qualifications, encompassing the expected time commitment for Board duties.
- b) Reviewing and recommending changes to the board structure, identifying the strengths and weaknesses of the board and advocating for measures to address them in alignment with the company's interests. Ensuring annually the autonomy of independent directors and confirming the absence of any conflicts of interest if a member serves on the board of another company. Establishing explicit guidelines for the compensation and remuneration of board members and senior executives, incorporating performance-based metrics and adhering to legal regulations.

Chapter Eight: Disputes

Article (57): Company Lawsuit:

The company retains the prerogative to pursue legal action for liability against members of the board of directors for errors leading to harm to the collective shareholders. The ordinary general assembly holds the authority to initiate such a lawsuit and designate a representative to pursue it on behalf of the company. In the event of the company's declaration of bankruptcy, the responsibility for filing the aforementioned lawsuit shifts to the bankruptcy representative. Should the company cease to operate, the liquidator assumes direct responsibility for the lawsuit upon obtaining approval from the ordinary general assembly.





Article (58): Shareholder Lawsuit:

Every shareholder has the right to file a lawsuit for the liability assigned to the company against members of the board of directors if the error committed by them causes specific harm to the shareholder. The shareholder may not file the mentioned lawsuit if the company's right to file it remains valid. The shareholder must notify the company of their intention to file the lawsuit, limiting their right to claim compensation for the specific damage incurred.

Chapter Nine: Dissolution and Liquidation of the Company**Article (59): Termination of the Company:**

The company shall be terminated due to one of the termination reasons mentioned in Article 243 of the Companies Law. Upon termination, the company enters the liquidation phase according to the provisions of Chapter 12 of the Companies Law. If the company is terminated and its assets are insufficient to cover its debts, or if it is insolvent according to the Bankruptcy Law, it is required to apply to the competent judicial authority to initiate any liquidation procedures under the Bankruptcy Law.

Chapter Eight: Final Provisions**Article (60):**

1. The company shall be subject to the applicable laws and regulations in the Kingdom of Saudi Arabia.
2. Any provision in this Bylaws that contravenes the provisions of Companies Law shall not be deemed valid, and the provisions contained in the Companies Law will be applied to it. Everything that is not included in this contract will be subject to Companies Law and its executive regulations.



Article (61):

This AoA shall be kept and published according to the provisions of the Companies Law and its implementing regulations.

