

F I P C O

FILLING & PACKING MATERIALS MFG. CO.

A Saudi Stock Company

Paid-up Capital : SR. 115,000,000



فـيـبـكـو

شركة تصنيع مواد التعبئة والتغليف

شركة مساهمة سعودية

رأس المال المدفوع: ١١٥,٠٠٠,٠٠٠ ريال

Articles of association

***Filling & Packing Materials Mfg. Co.
(FIPCO)***

Saudi joint stock company

Articles of association

Filling & Packing Materials Mfg. Co. (FIPCO)

Saudi joint stock company

Section 1:

Incorporation of the company

Article (1) Incorporation

A Saudi joint stock company shall be established in accordance with the provisions of the Companies Law and its Bylaws, as follows:

Article (2) Company name

Filling & Packing Materials Mfg. Co. (FIPCO) is a listed joint stock company

Article (3) Objectives of the company

The company carries out and implements the following purposes:

- *Manufacturing industries and their branches according to industrial licenses.*
- *Electricity, gas, water and its branches.*
- *Mines, petroleum and its branches.*
- *Transportation, storage and refrigeration*
- *Construction.*
- *Contracting*
- *Operating and Maintenance.*
- *Trading.*

- information technology.
- Financial, business and other services.
- Safety and Security
- Social, group and personal services.
- Agriculture and fishing.

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

The company may establish single companies with limited liability or closed joint stock, provided that the capital is not less than (5) million riyals. It may also own shares and shares in other existing companies or merge with them, and it has the right to participate with others in the establishment of joint stock or limited liability companies. After fulfilling the requirements of the regulations and instructions followed in this regard, the company may also dispose of these shares or shares, provided that this does not include mediation in their trading.

Article (5) The head office of the company

The head office of the company is located in Riyadh, Kingdom of Saudi Arabia, and it is permissible by a decision of the extraordinary general assembly to move the head office to any other place inside the Kingdom of Saudi Arabia, or to 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) Duration of the Company:

The term of the company is (50) years (HIJRI/Gregorian) starting from the date of its registration in the Commercial Register, 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.

Section 2

Capital and shares

Article (7) Capital

The company's capital was set at only 115,000,000 one hundred and fifteen million Saudi riyals, divided into 11,500,000 eleven million five hundred thousand nominal shares of equal value, the value of each of which is (10) ten riyals, all of which are ordinary cash shares.

Article (8) Subscription to Shares

The Board of Directors recommended in its meeting No. (4) dated 16-09-2019 corresponding to 26-09-1430 to raise the company's capital and to hold the meeting for the Fifth Extraordinary General Assembly) on 11-01-1331 corresponding to 28-12-2009 to raise the company's capital from 68,750,000 riyals 6,875,000 shares to 115,000,000 riyals (11,500,000 shares) by issuing 4,625,000 shares with a value of 46,250,000 million riyals and the difference was covered according to the approval of the Capital Market Authority in its letter No. 3760\5 on 30-10-1430 corresponding to 19-10-2009.

Article (9) Preferred Shares

- 1- The company's extraordinary general assembly 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, provided that the approval of their owners is obtained in a special assembly for them. Voting in the general assemblies of shareholders, and these shares entitle their owners to obtain a percentage more than the ordinary shares holders of the company's net profits after setting aside the statutory reserve.
- 2- Preferred stock holders are not entitled to vote in the general assemblies of shareholders unless the company fails to raise the percentage specified for them from the net profits after deducting the statutory reserve for three consecutive years. In the Board of Directors in proportion to the value of their shares in the capital, and each preferred share has one vote and is entitled to vote on all items.

Article (10) The company's purchase, sale and pledge of its shares

- 1- The company may purchase its ordinary or preferred shares in accordance with the regulations set by the competent authority, and the shares purchased by the company shall not have votes in the shareholders' assemblies.
- 2- The company may sell the treasury shares in one stage or several stages; It may also pledge its shares to secure the debt; This is in accordance with the regulations set by the competent authority.

Article (11) Sale of Unpaid Shares

The shareholder is obligated to pay the value of the share on the dates specified for this. If the shareholder fails to pay on the due date, the Board of Directors may, after being notified by notifying 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 shareholder funds.

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 (12) Issuance of Shares

The shares are nominal and may not be issued for less than their nominal value. Rather, they may be issued at a higher value. In this last 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 people, they must choose one of them to represent them in the use of the rights related to it, and these people are jointly responsible for the obligations arising from the ownership of the share.

Article (13) Trading in Shares

Shares subscribed by the founders 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 incorporation.

The bonds of these shares are marked with an indication of their type, date of incorporation of the company and the period during which trading is prohibited. However, during the prohibition period, the ownership of cash shares may be transferred in accordance with the provisions of the sale of rights from one of the founders to another founder or from the heirs of one of the founders in the event of his death to third parties or in the event of execution on the funds of the insolvent or bankrupt founder, provided that the priority of owning those shares is for the other founders. 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 (14) Shareholders Register

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

Article (15) Capital Increase

- 1. The Extraordinary General Assembly may decide to increase the company's capital, provided that the original capital has been paid in full, and 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 to Shares. 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 the employees of the company and its subsidiaries or some of them, or any of that. Shareholders may not exercise the right of priority when the company issues the shares allocated to employees.*
- 3. The shareholder owning the share at the time of the issuance of the extraordinary general assembly's decision approving the capital increase has priority in subscribing to 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 for 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 stated in Paragraph (4) above, the new shares shall be distributed to the priority rights holders who requested to subscribe 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 from the new shares, and the remainder is distributed from The new shares are given to the priority rights holders who have requested more than their share, in proportion to the priority rights they own out of the total priority rights resulting from the capital increase, provided that what they receive does not exceed what they requested from the new shares, and the remaining shares are offered to third parties, unless The Extraordinary General Assembly decides or the Financial Market Law provides otherwise.*

Article (16) Capital Reduction

The Extraordinary General Assembly may decide to reduce the company's capital if it exceeds the company's needs or if it suffers losses. In the latter case alone, the capital may be reduced below the limit stipulated in Article (54) of the Companies Law. The reduction decision shall not be issued except after reading a special report prepared by the auditor on the reasons for it, the obligations of the company, and the effect of the reduction in these obligations. If the capital reduction is a result of its excess over the company's need, the creditors must be invited 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. The company must pay him his debt if it is immediate or provide him with a sufficient guarantee to pay it if it is deferred

Chapter 3

Board of Directors

Article (17) Company Management

The company shall be managed by a board of directors consisting of five members elected by the ordinary general assembly of shareholders for a period not exceeding three years. The members of the board of directors may be re-elected for a similar period.

Article (18) Termination of Board Membership

- 1. The membership of the Board shall expire upon the expiry of its term or upon the expiry of the member's validity thereto in accordance with any system or instructions in force in the Kingdom*
- 2. 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. The company accepts the damages resulting from the retirement.*

Article (19) Vacant position in the Council

If the position of a member of the board of directors becomes vacant, the board may appoint a temporary member in the vacant position according to what the board deems appropriate, provided that he is among those who have sufficient experience and competence. The ministry and the authority must be informed of this within five working days from the date of appointment, and the appointment shall be presented to the ordinary general assembly at the 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 system, the rest of the members must invite the ordinary general assembly to convene within sixty days to elect the necessary number of members

Article (20) Powers of the Council

Taking into account the powers prescribed for the General Assembly, the Board of Directors shall have the widest powers in managing the company in request to achieve its objectives and the powers in managing the company, drawing up its policy and determining its investments.

The Board of Directors, for example, but not limited to, supervise all the company's business, money and all its other transactions, and take all other actions necessary to achieve the company's purposes

Determining and granting rewards to employees and loans granted to them, and setting the company's policies in all other matters related to the company's employees and employees Request banking facilities for companies in which the company participates, sign contracts and agreements related to guarantees and guarantees of the company in which the company is a partner, and issue these guarantees, including all documents, documents or supplements that may be necessary to enforce these guarantees and guarantees. Signing guarantees in the name of the company to guarantee third parties or companies in which the company participates, issuing financial guarantees, fine and performance guarantees, signing Islamic MURABAHA agreements and investment contracts, waiving rights and benefits, signing agreements, works and treasury products, and conducting all banking transactions necessary for the company's activity, including managing Operating bank accounts of all kinds in the name of the company, appointing those authorized to manage those accounts, determining their powers, issuing and signing checks, bills of exchange, request bonds, commercial and civil bonds, their acceptance and endorsement, withdrawals, exchanges, deposits and receipts in the name of the company, closing bank accounts, approving and approving account statements. Mortgage of real estate, movable or shares. Signing loan agreements and contracts and any amendments thereto including any documents related to the mortgage of accounts, real estate guarantees, balances, current and investment accounts of all kinds, bank guarantees, company shares and their mortgage, and any other guarantee documents, any loans from the company as a partner, agreements to give priority to third party debts and the like. Allowing others to use all or part of the facilities granted to the company or companies in which the company participates. Establishing other fully owned companies inside or outside the Kingdom, or participating with others in establishing other companies inside and outside the Kingdom, withdrawing from these companies, selling the company's shares in these companies, buying new shares in them, or in other existing companies, or increasing or decreasing their capital, whether The company contributed to the increase or not, receiving the profits, representing the company in the associations of partners, shareholders and constituent assemblies, voting on behalf of the company on the decisions of the partners and in the assemblies of shareholders and constituent assemblies, naming the company's representatives in this, signing the decisions of the partners and shareholders, and making any amendment to the articles of incorporation of these companies whatever The type of this amendment, and the signing of all partners' decisions and minutes of meetings in these

companies that are necessary to enforce these amendments including signing before a notary public the appendices of amending the contracts of incorporation of these companies, whatever the content of this amendment, and signing partners' decisions regarding the appointment or dismissal of managers in these companies, carrying out all work and taking all necessary measures to extract and receive records and licenses for these companies. Representing the company before third parties including (but not limited to banks, companies, the private sector, chambers of commerce and industry, representing the company in negotiations, buying, selling or mortgaging movable or fixed assets necessary for the company's purposes, buying and selling land and real estate in the company's name, mortgaging it, paying or receiving the price and signing documents The necessary in this regard before the notary public and any other party or authority, prepare and deliver bids, submit guarantees, sign contracts in the name and on behalf of the company with all competent governmental authorities, private sector bodies and others, clear the company's goods at customs and receive them, submit requests and data related to that, sign and receive postal parcels Signing all contracts, agreements, documents, undertakings, declarations and any amendments to those contracts or agreements, whether inside or outside the Kingdom, entering into lease and insurance contracts on the company's property, doing all that is necessary to do in implementation of any new system, or amending the system or existing regulations or instructions From the competent authorities in Saudi Arabia, the preparation of the company's financial statements and profit and loss accounts The administration has the authority to contract loans with government financing funds and institutions, and commercial loans with commercial banks, financial houses, and credit companies, for any limits set by the Board and for any period. The company's board of directors shall, in the cases it deems appropriate, have the right to discharge the company's debtors from their obligations in accordance with what serves its interests, provided that the minutes of the board of directors and the rationale for its decision include observing the following conditions:

- A. The release must be at least one full year after the debt arose
- B. The release shall be for a specified amount as a maximum per year for one debtor
- C. Exemption is a right of the Council, which may not be delegated.

The board of directors also has the right to open or manage investment portfolios for the sale and purchase of shares of listed or unlisted companies in the local or international financial market

The council may, within the limits of its powers, delegate one or more of its members or a third party to carry out a specific work or business.

Article (21) Remuneration of Board Members

- 1- The remuneration of the members of the board of directors consists of a certain amount, attendance allowance for sessions, certain benefits, or a certain percentage of the net profits, and two or more of these benefits may be combined.*
- 2- If the reward is a certain percentage of the company's profits, then this percentage may not exceed (10%) of the net profits, after deducting the reserves decided by the general assembly, and after distributing a profit to shareholders of no less than 5% of the company's paid-up capital.*
- 3- In all cases, what a member of the Board of Directors receives in terms of financial or in-kind remunerations and benefits shall not exceed five hundred thousand riyals annually in accordance with the regulations set by the Ministry of Commerce and Investment*
- 4- The members' remuneration may be of varying amount to reflect the member's experience, competence, tasks entrusted to him, his independence, the number of sessions he attended, and any other considerations according to the discretion of the Board of Directors.*
- 5- The report of the Board of Directors to the Ordinary General Assembly must include a comprehensive statement of all that the members of the Board of Directors received during the financial year in terms of remuneration, allowances, expenses and other benefits, as well as 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 work. It shall also include a statement of the number of council sessions and the number of sessions attended by each member from the date of the last meeting of the general assembly.*
- 6- The remuneration of independent board members should not be a percentage of the profits achieved by the company or be based directly or indirectly on the profitability of the company as set by the competent authority.*

Article (22) 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 it may also appoint a managing member from among its members, and it is not permissible for a single

member to combine the position of the chairman of the board and the position of the managing member. Arresting, paying, accepting and objecting to judgments on behalf of the company, representing the company before various notaries public, governmental and private bodies and bodies, companies and institutions of all kinds, and entering into tenders. He also has the right to sign all kinds of contracts and documents including the articles of incorporation of the companies in which the company participates and their amendments, signing agreements, instruments and blanks before notaries and official bodies, as well as loan agreements, guarantees and guarantees, following up on transactions, collecting the company's rights and paying its obligations, selling, buying, emptying, accepting, receiving, delivering, renting, leasing, receiving and paying, opening accounts and credits, withdrawing and depositing with Banks, issuing bank guarantees and signing documents and checks. He may also appoint, dismiss and contract employees and workers and determine their salaries, and may appoint agents and lawyers for the company and may delegate one or more of its members or third parties by a written decision to carry out certain work or businesses.

The Managing Director shall enjoy the powers determined by the Board of Directors, and the Vice Chairman, if appointed, replaces the Chairman of the Board in his absence.

The board of directors appoints a secretary to be chosen by it from among its members or from others, who is responsible for recording the minutes of the board of directors' meetings, writing down the decisions issued by these meetings and keeping them, in addition to exercising other powers assigned to him by the board of directors and determining his remuneration. The administration is for the term of office of each of them. They may be re-elected and the Board may dismiss them or any of them at any time without prejudice to the right of the dismissed person to be compensated if the dismissal occurred for an unlawful reason or at an inappropriate time.

Article (23): Board meetings

The council meets at least twice a year at the invitation of its president, and the invitation is by a letter accompanied by the agenda sent by any means of communication, provided that it is a week before the date of the meeting, and the council president must invite the council to a meeting whenever two of the members request it.

The General Assembly may, upon the recommendation of the Board, terminate the membership of a member who has been absent from three consecutive meetings of the Board without a legitimate excuse.

In this case, the absent member is not entitled to any rewards for the period following the last meeting he attended, and he must return all the rewards paid to him for that period.

Article (24): Board meeting quorum

The meeting of the Board shall not be valid unless attended by at least half of the members, provided that the number of attendees is not less than (4) members. A member of the Board of Directors may delegate other members to attend the Board's meetings on his behalf in accordance with the following controls:

- A. It is not permissible for a member of the Board of Directors to represent more than one member in attending the same meeting.*
- B. The delegation must be established in writing and in connection with a specific meeting.*
- C. The representative may not vote on decisions that the system prohibits the representative from voting on.*

Board meetings may be held over the phone or any other electronic means of communication that allows the member to hear all the attendees and the possibility of discussing the agenda with them and participating in decision-making unless otherwise notified.

The decisions of the council are issued by a majority of the opinions of those present or represented in it, and when the opinions are equal, the side with which the chairperson voted shall prevail.

The Board of Directors may issue decisions in urgent matters by presenting them to individual members of the Board of Directors, unless one of the members requests a meeting of the Board to deliberate thereon. These decisions shall be presented to the Board of Directors at the first upcoming meeting

Article (25) Deliberations of the session

The deliberations and decisions of the Board of Directors shall be recorded in minutes signed by the Chairman of the Board, the members of the Board of Directors present and the Secretary. These minutes shall be recorded in a special register signed by the Chairman and the Secretary.

Section 4

Shareholders' Assemblies

Article (26) Attending Assemblies

Each subscriber, regardless of the number of his shares, has the right to attend the constituent 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 (27) Constituent Assembly

The founders invite all subscribers to hold a constituent assembly within forty-five days from the date of the ministry's decision to authorize the establishment of the company (or from the date of closing the door for subscription in shares in a publicly-subscribed joint-stock 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.

The second meeting shall be valid, whatever the number of subscribers represented in it.

Article (28) Functions of the Constituent Assembly

The Constituent Assembly is concerned with the matters mentioned in Article 63) of the Companies Law.

Article (29) Functions of the Ordinary General Assembly

With the exception of matters that are concerned with the extraordinary general assembly, the ordinary general assembly is concerned with all matters related to the company, and it is held at least once a year during the six months following the end of the company's financial year.

Article (30) Functions of the Extraordinary General Assembly

The Extraordinary General Assembly is competent to amend the company's articles of association, except for matters that are prohibited from amending them by law. It may issue decisions on matters originally within the competences of the ordinary general assembly, under the same terms and conditions prescribed for the ordinary general assembly.

Article (31) Invitation to associations

General or special assemblies of shareholders are convened at the invitation of the Board of Directors in accordance with the Companies Law. 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 area in which the company's head office is located, at least twenty one days before the date fixed for the meeting. However, it may be sufficient to send the invitation on the aforementioned date to all shareholders by registered letters, and a copy of the invitation and the agenda shall be sent to the Ministry of Commerce and the Capital Market Authority during the period specified for publication.

Article (32) Attendance Record of Assemblies

Shareholders who wish to attend the general or private assembly register their names at the meeting venue before the assembly is convened, as the assembly meeting begins by entering the hall and announcing the session's chairman to open the assembly. Shareholders may participate in the meetings and deliberations of the general and special assembly, and inform the shareholders of the agendas of those meetings and related documents by means of modern technology, enabling them to actively participate, express an opinion, participate and vote on decisions.

Article (33) 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. If the necessary quorum is not available to hold this

meeting, the second meeting will be held an hour after the end of the period specified for the first meeting, provided that the invitation to hold the first meeting includes an announcement of the possibility of holding this meeting.

The second meeting shall be valid regardless of the number of shares represented therein

In all cases, the second meeting shall be valid regardless of the number of shares represented therein.

Article (34) 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, an invitation is sent to a second meeting, which will be held in the same conditions stipulated in Article (31) of this bylaw.

The second meeting shall be valid if attended by a number of shareholders representing at least a quarter of the capital.

If the necessary quorum is not available at the second meeting, an invitation is sent to a third meeting to be held in the same conditions stipulated in Article (31) of this bylaw.

Article (35) Voting in Assemblies

Each subscriber has one vote for each share he represents in the constituent assembly, and each shareholder has one vote for each share in the general assemblies. Cumulative voting shall be used in electing the Board of Directors.

The company may allow the shareholders to automatically vote on the topics of the agenda of the general or special assemblies meetings in the event that they do not attend either before or during the meetings without the need to appoint a proxy. It depends upon the conclusion of the discussion on this item during the assembly.

Article (36) Decisions of associations

Resolutions in the Constituent Assembly are issued by an absolute majority of the shares represented therein, and the decisions of the Ordinary General Assembly are issued by an absolute majority of the shares represented in the meeting. The decisions of the Extraordinary General Assembly are also issued by a two-thirds majority of the shares represented in the meeting, unless the decision is related to the increase or decrease of the capital, the extension of the company's term, its dissolution before the expiry of the period specified in its articles of association, or its merger with another company, then it shall not be valid unless it is issued by a majority of three Quarters of the shares represented in the meeting.

Article (37) Discussion in Assemblies

Each shareholder has the right to discuss the topics listed on the assembly's agenda and to direct questions about them 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 does not jeopardize the interest of the company. If the shareholder finds that the answer to his question is not convincing, he will appeal 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 this in the absence of the Chairman and his deputy.

The General Assembly appoints a secretary for the meeting and a collector of votes.

Minutes of the meeting of the assembly are 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 assigned to them, the decisions taken, the number of votes that approved or disagreed with them, and a full summary of the discussions that took place at the meeting. Assembly and its secretary and collector of votes.

Section 5

Review Committee

Article (39) Formation of the Committee

By a decision of the Ordinary General Assembly, an audit committee shall be formed, provided that the number of its members shall not be less than three members who are not members of the executive board of directors, whether from the shareholders or others.

A member of the Board of Directors and a member of the Audit Committee may also obtain his remuneration in exchange for his membership in the Audit Committee or in return for any work or executive, technical, administrative or advisory positions assigned to him by the company in addition to his membership in any of the other committees.

Article (40) Committee meeting quorum

For a meeting of the Audit Committee to be valid, the attendance of the majority of its members is required, and its decisions are issued by a majority vote of those present.

Article (41) Functions of the Committee

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, and it may ask the Board of Directors to invite the company's general assembly to convene if the Board of Directors obstructs its work or the company is exposed serious damages or losses

Article (46) Committee Reports

The Audit Committee shall consider the company's financial statements, reports and notes provided 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 system and the other work it has undertaken that fall within its jurisdiction. To deposit sufficient copies of this report at the company's head office at least twenty-one days before the date of the general assembly, to provide all shareholders who desire a copy of it. The report shall be read during the assembly's meeting.

Section 6

Auditor

Article (43) Appointment of the Auditor

The company must have one or more auditors from among the auditors licensed to work in the Kingdom to be appointed by the Ordinary General Assembly, and whose remuneration and term of work shall be determined.

And she may reappoint him, provided that the total period of his appointment does not exceed five continuous years, and whoever has exhausted this period may be reappointed after the lapse of two years from the date of its expiry.

The association may also at any time change it without prejudice to its right to compensation if the change occurred at an inappropriate time or for an illegal reason.

Article (44) Powers of the Auditor

The auditor may at any time have access to the company's books, records and other documents. He may also request data and clarifications that he deems necessary to obtain, in request to verify the company's assets, obligations and other matters that fall within the scope of his work. If the board does not facilitate the work of the auditor, it must request the board of directors to invite the ordinary general assembly to look into the matter.

Section 7

Company accounts and dividends

Article (45) Fiscal Year

The company's fiscal year begins on the first of January and ends at the end of December of each year.

Article (46) Financial Documents

- At the end of each fiscal year, 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 at least

- 2. The delegated member of the company's board of directors, its chief executive officer and its financial manager must sign the documents referred to in paragraph (1) of this article, and copies of them shall be deposited at the head office at the shareholders' disposal at least twenty one days before the date set for holding the general assembly.*
- 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 at the company's head office. He must also send a copy of these documents to the ministry and the Capital Market Authority before the date of the assembly. public for at least fifteen days.*
- 4. The Board of Directors shall, within 30 days from the date of approval of the financial statements by the General Assembly, the Board of Directors' report, the auditor's report, and the Audit Committee's report, deposit a copy of the mentioned documents with the Ministry.*

Article (47) Distribution of profits to be distributed

The company's net profits (on a semi-annual or quarterly basis) after authorizing the ordinary general assembly of the Board to do so. This authorization is renewed annually, after deducting all public expenses and other costs as follows:

- 1. 10% of the net profits shall be set aside to form the statutory reserve of the company. The Ordinary General Assembly may decide to discontinue this deduction when the said reserve reaches (30%) of the paid-up capital.*
- 2. The Ordinary General Assembly, based on the proposal of the Board of Directors, may set aside 30% of the net profits to form a consensual reserve to support the financial position of the company.*
- 3. The statutory reserve is used to cover the company's losses or increase the capital, and if this reserve exceeds 30% of the paid-up capital, the company's general assembly may decide to distribute the increase to shareholders in the years in which the company does not achieve net profits sufficient to distribute the share decided to them in this the system*
- 4. 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 from the net profits the amounts of establishing social institutions for the company's employees or to assist the existing of these institutions

5. After that, a percentage of no less than 5% of the paid-up capital of the company shall be distributed to the shareholders.
6. The Board of Directors must approve its annual report submitted to the General Assembly the percentage of profits distributed to shareholders during the different periods of the current year, in addition to the percentage of profits proposed to be distributed at the end of the fiscal year and the total of these profits

Article (48) entitlement to profits

The shareholder shall be entitled to his share of the profits in accordance with the decision of the General Assembly issued in this regard. The decision shall indicate the due date and the date of distribution. The eligibility of profits shall be for the owners of shares 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) of the profits 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 they attend the company's general assembly meetings and participate in voting, or they appoint 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) Losses of the Company

1. If the company's losses amount to half of the paid-up capital, at any time during the fiscal year, any official in 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 days from becoming aware of this, calling the extraordinary general assembly to meet within forty-five days from the date of his becoming aware of the losses; Deciding 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 Law

- 2. The company is considered dissolved by the force of the Companies Law if the General Assembly did not meet within the period specified in Paragraph 1 of this Article, or if it met and was unable to issue a decision on the matter, or if it decided to increase the capital in accordance with the conditions established in this Article and the subscription was not completed in every Increasing the capital within ninety days from the issuance of the Assembly's decision to increase it.*

Section 8

Disputes

Article (51) Liability claim

Every 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 causes a special damage to him. The shareholder may not file the aforementioned lawsuit unless the company's right to file it still exists. The shareholder must notify the company of his intention to file a lawsuit, while limiting his right to claim compensation for the special damage he sustained.

Section 9

Company dissolution and liquidation

Article (52) Termination 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 liquidation decision must include the appointment of the liquidator, determining

his powers and fees, restrictions imposed on his powers, and the time period required for liquidation. The period of voluntary liquidation must not exceed five years. Extension of it for more than that, except by a judicial request, 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. Shareholders' assemblies remain in place during the liquidation period, and their role is limited to exercising their powers that do not conflict with the competences of the liquidator.

Section 10

Final Provisions

Article (53)

The Companies Law and its Regulations shall apply to everything that is not provided for in this Law.

Article (54)

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

<i>Request number</i>	<i>Type of Company</i>	<i>Commercial Registration No</i>	<i>City</i>	<i>The date of application</i>	<i>The Company's name</i>	<i>Resolution type</i>	<i>Request status</i>
103830	Shareholding company	1010084155	Riyadh	23 Muharram 1440	Filling & Packing Materials Mfg.	Amending the company's articles of association	Published
							Options ▼
							Number of decisions: (1)