

Articles of Association

Arabian Pipes Company (a Saudi listed joint stock company)

Chapter (1): Establishment of the company

Article (1): Establishment

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

Article (2): Company's name

Arabian Pipes Company (a Saudi listed joint stock company).

Article (3): Company purposes

The purpose of the company is to conduct the following business:

- 1. Manufacture of pipes, hoses, plastic pipes, fittings and accessories.*
- 2. Manufacture of pipes, tubes and hollow forms of iron and steel*
- 3. Production and marketing of longitudinally welded and spiral steel pipes and non-metallic pipes for pipelines, construction and commercial purposes.*
- 4. Establishment of metallurgical industries.*
- 5. Bending, forming and threading Pipes.*
- 6. Pipe wrapping from the outside and the inside.*
- 7. Carrying out commercial business from buying and selling pipes, and their accessories.*
- 8. Execution of pipeline laying works.*
- 9. Purchasing lands to construct buildings on them and investing them by selling or renting for the benefit of the company.*
- 10. Maintenance, cleaning, operation and catering contracting.*
- 11. The company may practice any purposes complementary to the purposes licensed above and any other purposes after obtaining the necessary licenses from the competent authorities.*

The company shall not carry out its activities except after obtaining the necessary licenses from the competent authorities, if any.

Article (4): Partnership and ownership in companies

The company may establish its own limited liability companies or closed joint stock companies. It may also own shares and shares in other existing companies, merge with them, or acquire them partially or wholly. 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): Company's head office

The head office of the company is located in the city of Riyadh, and 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): Company term

The duration of the company is (99) years starting from the date of issuance of the decision of the Minister of Commerce to announce its establishment. It is always permissible to extend the term of the company by a decision issued by the extraordinary general assembly at least one full year before the expiry of its term.

Chapter (2): capital and shares

Article (7): Capital

The capital of the company is 100,000,000 Saudi riyals (one hundred million riyals) divided into 10,000,000 shares (ten million shares), of equal value, each with a nominal value of 10 (ten Saudi riyals), all of which are ordinary cash shares.

Article (8): Subscribe to shares

Shareholders have subscribed to all shares amounting to (10,000,000) shares (ten million shares) worth (100,000,000) Saudi riyals (one hundred million Saudi riyals), and paid their full value.

Article (9): Selling of unmet value shares:

If the shareholder fails to pay the value of the share on the dates specified for this, the Board of Directors may, after warning the shareholder by a registered letter sent to his address registered in the shareholder register, sell the share in a public auction or the stock market, as the case may be, in accordance with the regulations set by the competent authority. However, the defaulting shareholder until the day specified for the auction may pay the value due from him in addition to the expenses incurred by the company. The company shall collect the amounts due to it from the sale proceeds and return the rest to the shareholder. If the sale proceeds do not meet these amounts, the company may collect the remainder from the entire shareholder's money with it. If it is not sufficient, it shall demand the remainder from him. The company cancels the share that was sold and gives the buyer a new share bearing the canceled share number, and indicates this in the shareholders' register with the name of the new owner.

Article (10): Issuance of shares

The shares are nominal, and may not be issued for less than their nominal value, but may be issued at a higher value. In this last case, the difference in value is recorded in a separate item within shareholders' equity and may not be distributed as dividends to shareholders. The share is indivisible in the face of the company, and if several people own it, they must choose one of them to represent them in using the rights related to the share, and these people are jointly responsible for the obligations arising from the ownership of the share.

Article (11): Stock trading

The shares are negotiable, and as an exception to this, the shares subscribed by the founders may not be traded before the publication of the balance sheet and profit and loss account for two fiscal years, each of which is not less than twelve months from the date of announcing the company's incorporation. It is also not permissible to trade in the capital increase shares subscribed by the founders if the capital was increased during the aforementioned prohibition period, provided that the two-year period in this case

begins from the date of amending the company's data in the commercial registry to indicate the increase. These instruments shall be marked with evidence 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 shares may be transferred in accordance with the provisions of rights sale 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. The priority of owning those shares is for the other founders.

Article (12): Shareholders' equity

The company's shares are traded in accordance with the provisions of the Capital Market Law, and the ownership of shares indicates the shareholder's acceptance of the company's system and his commitment to its decisions issued by the shareholders' assemblies in accordance with the provisions of this system, whether he is present or absent, and whether he agrees with or disagrees with these decisions. Shares also entail equal rights and obligations and prove to the shareholder all rights related to the share, in particular the right to obtain a share in the profits to be distributed, the right to obtain a share in the company's assets upon liquidation, the right to attend shareholder assemblies, participate in its deliberations and vote on its decisions, and the right to dispose of The right to inquire and request the company's information in a way that does not harm the interests of the company and does not contradict the capital market system and its executive regulations, and the right to monitor the work of the Board of Directors and file a liability claim against members of the Board and appeal and invalidate the decision of the shareholders' assemblies, subject to the conditions and restrictions stipulated in the Companies Law.

Article (13): Ownership of the company to its shares

- 1) The company may purchase or mortgage its shares and dispose of them in a manner that transfers or restricts ownership in accordance with the applicable regulations of the Companies Law. The shares purchased by the company do not have votes in the shareholders' assemblies.*
- 2) The shares purchased by the company may be mortgaged according to the regulations set by the competent authority, and the mortgagee creditor shall receive profits and use the rights related*

to the share, unless otherwise agreed upon in the mortgage contract. However, the mortgagee creditor may not attend or vote at the meetings of the general assembly of shareholders.

Article (14): Debt instruments and fiscal instruments

- 1) *The company may issue debt instruments or financing instruments convertible into tradable shares or establish investment funds, after the issuance of a resolution from the extraordinary general assembly specifying the maximum number of shares that may be issued in exchange for those instruments or instruments, whether those instruments were issued or Instruments at the same time or through a series of issues or through one or more programs to issue debt instruments or financing instruments. The Board of Directors shall issue - without the need for a new approval from this assembly - new shares in exchange for those instruments or instruments that their holders request for their conversion, immediately upon the end of the conversion request period specified for the holders of those instruments or instruments. The Board shall take what is necessary to amend the company's articles of association with regard to the number of issued shares and the capital. The board of directors must also announce the completion of the procedures for each capital increase in the manner specified in the system for publicizing the decisions of the extraordinary general assembly.*
- 2) *Subject to what is stated in paragraph (1) above, it is not permissible to convert debt instruments or instruments into shares in the following two cases:*
 1. *If the conditions for issuing debt instruments and fiscal instruments do not include the possibility of converting these instruments and instruments into shares by raising the company's capital.*
 2. *If the holder of the debt instrument or the financing instrument does not agree to this transfer.*

Article (15): Capital increase

- 1) *The extraordinary general assembly may decide to increase the capital of the company, provided that the capital has been paid in full. It is not required that the capital be fully paid if the unpaid portion of the capital is due to shares issued in exchange for converting debt instruments or financing instruments into shares and has not expired after the prescribed period for converting them into shares.*
- 2) *The extraordinary general assembly in all cases may allocate the shares issued when increasing the capital or part thereof to the employees of the company and subsidiary companies or some of them or any of that. Shareholders may not exercise the right of priority when the company issues shares allocated to employees.*
- 3) *The shareholder who owns the share at the time of the decision of the extraordinary general assembly to approve the increase in the priority capital in the subscription to the new shares issued in exchange for cash shares, and they inform them of their priority by publishing in a daily newspaper or by informing them through registered mail of the decision to increase the capital, the terms of the subscription terms, duration, start and end dates.*
- 4) *Shares of the company's capital increase shall be distributed to the original shareholders who requested subscription 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. The remainder of the new shares shall be distributed to the priority rights holders who requested more than their share in proportion to their pre-emptive rights out of the total pre-emptive rights resulting from the capital increase, provided it does not exceed what they obtain from the new shares they requested. Unless the Extraordinary General Assembly decides or the Capital Market Law provides otherwise.*
- 5) *The Extraordinary General Assembly has the right to suspend the priority right of the shareholders to subscribe to the capital increase in return for cash shares, or to give priority to non-shareholders in the cases it deems appropriate for the interest of the company.*
- 6) *The shareholder has the right to sell or assign the right of priority during the period from the time of the issuance of the extraordinary 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.*

Article (16): Capital Decrease

- 1) *By a decision of the Extraordinary General Assembly, the company's capital may be reduced if it exceeds its needs or if the company suffers losses. In the latter case alone, the capital may be reduced below the limit stipulated in Article fifty-four) of the Companies Law. The decision shall not be issued except after reading the auditor's report on the reasons for it and the obligations on the company, and the effect of the reduction in these obligations. The decision shows the method of reduction in one of these two ways:*
 1. *Cancellation of a number of shares equal to the amount required to be reduced.*
 2. *The company purchases a number of its shares equal to the amount required to be reduced, and then cancels it.*
- 2) *If the reduction is a result of the capital exceeding the company's need, the creditors shall be called to express their objections to it within sixty days from the date of publishing the reduction decision in a daily newspaper distributed in the country or region in which the company's head office is located, or on the Ministry's website, or any other means. Accredited. If one of them objects and submits documents to the company on the aforementioned date, the company must pay him his debt if it is due to be paid immediately, or provide a sufficient guarantee to fulfill it if the time for payment has not yet come.*
- 3) *If the reduction is by buying a number of the company's shares in order to cancel it, the shareholders must be invited to offer their shares for sale. This invitation is made by registered mail or a daily newspaper distributed in the country or region in which the company's headquarters is located, or on the Ministry's website, or any other approved means, and the purchase is made in accordance with the fiscal market system.*

Chapter (3): Board of directors

Article (17): administration of the company

- 1) The company is managed by a board of directors consisting of (8) eight members elected by the ordinary general assembly for a period of 3 years, and the term of membership of the first board of directors begins from the date of the ministerial decision issued to announce the establishment of the company.*
- 2) Each shareholder has the right to nominate himself or another person or more for membership in the Board of Directors, within the limits of his ownership percentage in the capital, provided that the cumulative voting method is followed when selecting members of the Board of Directors.*

Article (18): Board membership expiration

- 1) The membership of the Board shall expire upon the expiry of its term or the expiry of the member's validity, in accordance with any system or instructions in force in the Kingdom. If the position of a member of the board of directors becomes vacant, the board may temporarily appoint a member in the vacant position according to the order of obtaining votes in the assembly that elected the board. Provided that he is among those who have experience and competence, and the Ministry must be informed of this, as well as the Capital Market Authority, within five working days from the date of appointment, and that the appointment is presented to the Ordinary General Assembly at its first meeting, and the new member completes the term of his predecessor. If the necessary conditions for the convening of the Board of Directors are not met due to the lack of the number of its members below the minimum stipulated in the Companies Law or this bylaw, the rest of the members shall call the Ordinary General Assembly to convene within sixty days to elect the necessary number of members.*
- 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 if the dismissal occurred for an unacceptable reason or at an inappropriate time. A member of the board of directors has the right to retire, provided that it is at an appropriate time, otherwise he will be responsible before the company for the damages that result from the retirement.*

- 3) *If the chairman and members of the company's board of directors submit their resignations, or if the general assembly is unable to elect a board of directors for the company, the competent minister, or the board of the authority in the companies listed in the fiscal market, must form a temporary committee with expertise and competence with the number that is appropriate, and appoint a chairman And his deputy from among its members, to take over the management of the company, and to invite the general assembly to meet within a period not exceeding three months from the date of forming the said committee, in order to elect a new board of directors for the company. The chairman and members of the committee shall grant remunerations at the expense of the company, according to what the Minister or the Board of the Authority decides, as the case may be.*

Article (19): Disclosure

- 1) *It is not permissible for a member of the Board of Directors to have any direct or indirect interest in the business and contracts that are made for the company's account without a prior authorization from the Ordinary General Assembly, to be renewed each year. A member of the Board of Directors shall inform the Board of his direct or indirect interest in the business and contracts concluded with the company, and such notification shall be recorded in the minutes of the meeting. This member may not participate in voting on the resolution issued in this regard in the Board of Directors and the shareholders' assemblies. The Chairman of the Board of Directors informs the Ordinary General Assembly, when it convenes, of the business and contracts in which one of the Board members has a direct or indirect interest, and the notification is attached to a special report from the company's external auditor.*
- 2) *If a Board member fails to disclose his interest referred to in Paragraph (1) of this Article, or does not obtain a prior authorization from the Ordinary General Assembly, renewed every year. The company or any interested party may claim before the competent judicial authorities to invalidate the contract or obligate the member to pay any profit or benefit achieved for him.*
- 3) *A member of the board of directors may not participate in any business that would compete with the company, or compete with the company in one of the branches of the activity that it engages in; otherwise, the company may claim him before the competent judicial authorities for*

appropriate compensation. Unless he has obtained a previous license from the Ordinary General Assembly (to be renewed every year) he is allowed to do so.

Article (20): Powers of the Board of Directors

- 1) *Taking into account the competences prescribed for the ordinary and extraordinary general assembly, the board of directors shall have the widest powers in managing the company and managing its affairs inside and outside the Kingdom, supervising all its business, money and all its transactions, and making decisions, including but not limited to: Approve the company's budgets, and all the fiscal and administrative regulations necessary for the conduct of the company's affairs, and the disposal of the company's fixed and movable assets, and has the right to take decisions with regard to buying, selling, mortgaging and releasing the mortgage, Provided that the minutes of the Board of Directors regarding the decision to dispose of the company's fixed and movable assets shall observe the following conditions:*
 1. *The board should specify in the sale decision the reasons and justifications for it.*
 2. *The sale shall be fair and comparable to the price of the same.*
 3. *The sale shall be present except in cases determined by the Board and with sufficient guarantees.*
 4. *That this act does not result in the suspension of some of the company's activities or burdening it with other obligations, and he has the right to take decisions with the company's participation in other companies or to increase or decrease the percentage of participation in the companies in which it participates. The board of directors has the power to give guarantees to others.*
- 2) *The Board of Directors has the right to:*
 1. *Contracting loans and credit facilities with governmental and non-governmental institutions, and local and foreign banks, regardless of their amounts, provided that their term does not exceed the company's term.*
 2. *Opening accounts in Saudi riyals or any other currency, managing and supervising them, dealing with them, disposing of their balances and closing them.*

3. *Claim all amounts owed to the company, whether out of money, commissions and other related matters, and sign to receive them.*
4. *Deposit and withdrawals to and from all company accounts with banks.*
5. *Issuance and signature of networks, remittances, promissory notes and other commercial papers, transfer orders and payment orders, their acceptance, approval, assignment, and sending of a collection fees.*
6. *Paying the value of bonds, documents, bills of exchange and all kinds of fiscal obligations documents.*
7. *Requesting foreign currency exchange, contracting exchange operations of all kinds, and investing money.*
8. *Receiving documents, bonds and in-kind deposits of whatever type and value.*
9. *Receiving, approving, accepting and ratifying statements of accounts, notifications and claims.*
10. *Request for opening documentary and non-documentary credits and request to issue bank guarantees.*
11. *Requesting credit facilities and bank loans of any kind, and requesting Islamic financing of any kind, whether it is in the form of Murabaha for ordering purchase, or a deferred sale that leads to Tawarruq, or making it, or renting it with the promise of ownership, or participation, etc., and signing the agreements and documents necessary to obtain them and accept their terms (order bonds, letters of guarantee, pledges, treasury agreements).*
12. *Issuing letters of guarantee for the purpose of executing projects with which the company has concluded contracts for its implementation.*
13. *Mortgaging and securing property and assets of any kind, assigning rights and gains and giving guarantees to guarantee loans, advances, banking facilities and other operations executed in the name and for the company.*
14. *Signing purchase and sale orders, notices, stock certificates, mortgage, receipt and delivery of notices, certificates and related documents.*
15. *Endorsement and receipt of all bills of shipment, insurance and other documents and ratification of all invoices and receipts related thereto.*

16. *The board of directors and in the cases it deems appropriate, has 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 observance of the following conditions:*
 - 1- *The discharge must be a minimum after a full year has passed since the debt was created.*
 - 2- *Discharge is a right of the board of directors and may not be delegated.*
 - 3- *The discharge shall be for a specified amount as a maximum per year for one debtor.*
17. *The Board of Directors may make donations, provided that they do not exceed the specified item in each annual budget of the company.*
18. *Approving the bylaws, regulations and internal controls of the company, including the employee savings system, and its general supervision.*
19. *Adopting the strategic directions and main objectives of the company and supervising their implementation.*
20. *Approval of company governance.*
21. *The Board of Directors may assign or delegate within the limits of its powers one or more of its members or third parties to take a specific action or behavior or to perform a specific act or actions.*
22. *The board of directors appoints a secretary for the board from among its members or others, and the board of directors determines its competencies and remuneration. The term of membership of the chairman, his deputy, the managing director- if he is appointed, and the board secretary, if he is a member of the board- shall not exceed the term of their membership in the board, and they may be reappointed.*

The Board appoints the CEO and his deputies, and relieves them of their positions. In its appointment decision, the Board of Directors determines the powers, duties, and remunerations of the CEO and his deputies (if any) and the duration of their tenure in this position. The Board of Directors determines the special remuneration that each of them receives in addition to the remuneration determined for each member of the Board of Directors in accordance with Article (24) of this bylaw.

The Board, within the limits of its competence, may entrust one or more of its members or third parties to carry out a certain work or business for the period the board deems appropriate, by power of attorney or delegation, and its representative has the right to delegate to others in all or part of what he has been entrusted with, and the board has the right to exercise all these powers inside and outside the Kingdom of Saudi Arabia.

Article (21): Remuneration of the Board of Directors

The remuneration of a member of the Board of Directors shall be a lump sum in exchange for his membership in the Board and his membership in the committees emanating from it, in addition to an attendance allowance for each session attended by the member personally or through any of the features of remote communication from meetings of the Board of Directors or committees emanating from the Board, in addition to travel, transportation and accommodation expenses, this is in accordance with the policy of remuneration and nominations, in addition to the remuneration allotted to members of the Board of Directors, not exceeding (5%) five percent of the remainder of the profits in the event of distributing profits in accordance with the text of Article (43) of this bylaw, provided that the remuneration received by the member does not exceed the allowances and profits under Article (43) of this bylaw amount of (500,000) five hundred thousand Saudi riyals in one fiscal year.

The report of the Board of Directors to the Ordinary General Assembly includes a comprehensive statement of all that the members of the Board of Directors received during the fiscal year of salaries, share in profits, attendance allowances, expenses and other benefits. The aforementioned report also includes a statement of what the members of the Board of Directors received in their capacity as employees or administrators, or what they received it in return for technical, administrative or advisory work, and it should 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.

Article (22): Powers of the Chairman, Deputy and Secretary

The Board of Directors appoints from among its members a Chairman and a Vice-Chairman, and he may appoint a Managing Director. It is not permissible to combine the position of the Chairman of the Board of Directors with any other executive position in the company. In the absence of the Chairman, the Vice-Chairman shall act on his behalf, and in their absence, the Managing Director shall act on his behalf in the event of his appointment or the board appoints the member who performs his work temporarily, and the Chairman of the Board, taking into account the powers of the Board of Directors and what is excluded and restricted by a special provision in this bylaw, has the following powers:

- 1- Inviting the Board to meet and chair meetings of the Board of Directors and the general assemblies of shareholders.*
- 2- Executing all other tasks assigned to him by the Board of Directors, pursuant to a decision taken by the Board of Directors, or a delegation or power of attorney of all members.*
- 3- Representing the company in its relations with third parties and with government entities and private entities, in front of legal courts, judicial bodies, grievances board, labor offices, labor committees, commercial papers committees, legal medical committees, customs committees, anti-commercial fraud committees, all judicial committees, arbitration boards, civil rights, police departments, the general directorate of civil defense and its branches, etc. It is followed by departments and sections, chambers of commerce and industry, notaries, banks, private bodies, companies and institutions, and the right to sign all types of contracts, and documents, including, without limitation, contracts related to loans obtained by the company, other fiscal agreements, mortgage and its release, granting guarantees, purchase or operating requests related to the company's activity, contracts for awarding tenders, auctions, purchase contracts for the property necessary for the company from assets, real estate and lands, contracts for the sale of such properties, signing contracts for the establishment of companies in which the company participates, and all amendments thereto, the right of emptying and acceptance, receipt, delivery, rental, leasing, receiving, payment, opening and closing accounts and credits, withdrawing and depositing with banks, issuing bank guarantees, signing all papers, documents, checks and all banking transactions, obtaining building permits and other licenses needed by the company in carrying out its activities, the right to appoint employees and workers, dismissing them, signing*

their work contracts, requesting visas, recruiting manpower from outside the Kingdom, and contracting with them and determine their salaries, issuing and renewing work permits and residencies, transferring and waiving sponsorships, modifying professions, receiving visa compensation, reporting labor flight, ending employment procedures with social insurance, reviewing the computer management in the workforce to drop or adding employment, adding and deleting Saudis, receiving Saudization certificates, opening basic and subsidiary files, renewing and canceling them, and extracting Brent statement, receiving and delivery of data. The chairman of the board of directors may appoint agents and lawyers to review, plead, defend the company, hear cases, respond to them, acknowledge, deny, conciliate, waive, release, swear an oath, request them, reject them, relinquish them, submit memoranda, evidence, pleas, bring witnesses and evidence and challenge them, answer, amend, challenge forgery, deny seals, signatures, request travel bans, and challenge them, request for attachment, enforcement, arbitration request, appointment of experts and arbitrators, Appealing the reports of experts and arbitrators, their return and replacement, requesting the implementation of Article (230) of the legal pleadings system, requesting the execution of judgments, accepting and objecting to judgments, requesting appeal, seeking reconsideration, requesting rehabilitation, requesting pre-emption, attend to courts and judicial authorities of all kinds and degrees, and reviewing all relevant authorities, completing all necessary procedures and signing what is required. The Chairman of the Board may, by a written decision, delegate some of his powers to other members of the Board or to third parties in carrying out certain work or works.

- 4- The Board of Directors shall specify, in its decision appointing the Managing Director, the term of his appointment, his powers, duties and remuneration.*
- 5- The membership of the council chairman, the vice-chairman, the managing director if appointed, and the secretary, shall not exceed the membership of each of them in the council, and they may always be re-appointed. The board may, at any time, dismiss them or any of them without prejudice to the right of the dismissed person to be compensated if the dismissal occurred for an unlawful reason or at an inappropriate time.*

- 6- *It is not permissible for a member to combine the position of the Chairman of the Board of Directors with the position of the Managing Director, the CEO, or any other executive position in the company.*

Article (23): Board of Directors meetings

The Board meets at the invitation of its Chairman at least four times a year. The invitation shall be in writing by hand, by registered letters, or by other means of communication such as fax and e-mail, seven (7) days prior to the date set for the meeting, unless the members of the Board agree otherwise. The Chairman of the Board may invite it to a meeting when requested by two of its members.

In cases of necessity, the Board of Directors may hold its meeting using electronic means such as conference calls and take decisions in urgent matters by presenting them to the members separately, unless one of the members requests in writing, the meeting of the Board to deliberate thereon, and these decisions are presented to the Board in its first following meeting.

The board of directors appoints from among its members an executive committee consisting of at least three members, one of whom is the chairman of the committee. The committee follows up and implements all that the board requests from it within the limits of its powers stipulated in this bylaw, and the board determines the remuneration of its members. The committee holds its meetings at the invitation of its chairman.

Article (24): Board of Directors meeting quorum

The meeting of the Board shall not be valid unless attended by at least half of the members in person. In the event that a member of the Board of Directors delegates another member to attend the meetings of the Board, the delegation must be in accordance with the following rules:

- 1- *A member of the Board of Directors shall not represent more than one member in attending that meeting.*
- 2- *The delegation must be established in writing and to a specific meeting, and the representative may not vote on decisions that the bylaw prohibits the representative from voting on.*

Board decisions are issued by a majority of the opinions of the attendees or representatives in the meeting, and when the opinions are equal, the opinion with which the chairman of the meeting voted shall prevail.

Article (25): Board of Directors deliberations

The board's deliberations and decisions are recorded in minutes signed by the meeting chairman, the attended members of the board of directors and the secretary. These minutes are recorded in a special register signed by the board chairman and secretary.

Article (26): Board of Directors committees

The Board of Directors may from its members or from outside forms committees as required by the needs of the company. The Board appoints a chairman to the committee from its members. The Board of Directors also determines the method of work of each committee, its competencies, the number of its members and the necessary quorum for its meetings. In accordance with the instructions and directives of the Board of Directors, the Board of Directors determines the remuneration of its members in accordance with the rules regulating this and in accordance with the remuneration and nomination policy.

Chapter (4): Shareholders' Assemblies

Article (27): Attending assemblies

A properly constituted general assembly shall represent all shareholders and held in the city in which the company's head office is located. It may be held remotely using modern electronic technology. Each shareholder, regardless of the number of his shares, has the right to attend the ordinary and extraordinary general assembly, and the shareholder may delegate another shareholder who is not a member of the board of directors or the company's employees to attend on his behalf.

Article (28): Competencies of the Ordinary General Assembly

With the exception of the matters of the Extraordinary General Assembly, the Ordinary General Assembly is concerned with all matters relating to the company, and it convenes at least once a year during the six months following the end of the company's fiscal year.

Article (29): Competencies of the Extraordinary General Assembly

The Extraordinary General Assembly is competent to amend the company's articles of association with the exception of the provisions that are prohibited from amending them by law. In addition, it may issue decisions in matters within the competence of the Ordinary General Assembly, under the same terms and conditions prescribed for the last assembly, except for the following:

- 1- Depriving the shareholder or modifying any of his basic rights, in particular (obtaining his share of the profits or issuing free shares to non-workers of the company and its subsidiaries- obtaining his share of the company's assets upon liquidation- attending shareholder assemblies, deliberating and voting- disposing of his shares- requesting access to the files of the company- filing a liability lawsuit- challenging the invalidity of the decisions of the shareholders' assemblies- the priorities for subscribing to new shares- unless the bylaw stipulates otherwise.*
- 2- Decisions to increase the fiscal burdens for shareholders unless all shareholders agree to that- transfer of the company's head office outside the Kingdom- change of the company's nationality.*

Article (30): inviting the assemblies

Shareholders' general assemblies are held at the invitation of the board of directors, and the board of directors must invite the ordinary general assembly if requested by the auditor, 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, and no invitation to convene the assembly was sent in accordance with paragraph (2/d) of Article (90) of the Companies Law.

The invitation to convene the general assembly shall be published on the website of the Capital Market Authority and the company's website and in a daily newspaper distributed in the region in which the company's head office is located, at least twenty-one days before the date specified for the meeting. The invitation shall include the agenda, date and place of the general assembly meeting. A copy of the invitation and the agenda shall be sent to the General Administration of Companies at the Ministry of Commerce and also to the Capital Market Authority during the period specified for publication. The general assembly may be invite to convene on the aforementioned date by registered letters as long as the company's shares are nominal. It is also permissible to hold meetings of the general assemblies of shareholders and the shareholder can participate in their deliberations and vote on its decisions using modern technology means according to the controls set by the competent authority.

Article (31): Proof of attendance

At the meeting of the assembly, a list shall be issued with the names of the attended shareholders and representatives and their places of residence, indicating the number of shares they hold in person or by proxy, and the number of votes allotted to them, and each interested party shall have access to this list.

Article (32): Ordinary General Assembly Meeting Quorum

The meeting of the Ordinary General Assembly shall not be valid unless attended by shareholders representing at least a quarter of the capital. If this quorum is not available in the first meeting, an invitation shall be issued to a second meeting to be held within the thirty days following the previous meeting, and the invitation shall be announced in the manner stipulated in Article (30) of this bylaw. The second meeting may be held an hour after the end of the period specified for convening the first meeting, provided that the invitation to hold the first meeting includes announcing the possibility of holding this meeting. In all

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

Article (33): Extraordinary General Assembly Meeting Quorum

The meeting of the Extraordinary General Assembly 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 issued to a second meeting in the same conditions stipulated in the previous article, and the second meeting shall be valid if attended by a number of shareholders representing at least a quarter of the capital. The second meeting may be held an hour after the end of the period specified for convening the first meeting, provided that the invitation to the first meeting shall include what indicates announcing the possibility of holding this meeting. If the necessary quorum is not present in the second meeting, an invitation is sent to a third meeting to be held in the same conditions stipulated in Article (30) of this bylaw, and the third meeting shall be valid regardless of the number of shares represented therein, after the approval of the competent authority.

Article (34): Voting in assemblies

Each shareholder has a vote for every share he represents in the constituent assembly, and the votes in the ordinary and extraordinary general assemblies are counted on the basis of one vote for each share he represents. However, the members of the Board of Directors may not participate in voting on the decisions of the assembly related to their discharge from their liability for the term of their management, and the cumulative voting method is followed in voting on the selection of the members of the Board of Directors.

Article (35): Assemblies decisions

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 at the meeting, unless the decision is related to an increase or decrease in the capital, an extension of the company's term, the dissolution of the company before the expiry of the period specified in its bylaw, or the incorporation of the company into another company or institution, the decision shall not be valid unless it is passed by a majority of three quarters of the shares represented at the meeting.

Article (36): Discussion in the assemblies

Every shareholder has the right to discuss the topics listed on the agenda of the assembly and to direct questions about them to the members of the board of directors and the auditor. The board of directors or the auditor answers the shareholders' questions to the extent that does not conflict with the company's interest to the harm. If the shareholder thinks that the answer to his question is not convincing, he appeals to the assembly which decision is effective in this regard.

Article (37): Chairing of assemblies and preparing minutes

The meetings of the ordinary and extraordinary general assembly 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 its members in their absence. The chairman appoints a secretary for the general assembly meeting and votes collector. Minutes of the meeting of the assembly shall be drawn up containing the names of the shareholders attended or their representatives, 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 agreed or disagreed with them, and a complete summary of the discussions that took place at the meeting. Minutes are recorded on a regular basis after each meeting in a special register signed by the chairman of the assembly, secretary and vote collector.

Chapter (5): Audit Committee

Article (38): Formation and competencies of the audit committee

- 1- *By a decision of the Ordinary General Assembly, audit committee shall be formed from non-executive members of the Board of Directors, whether shareholders or others, provided that the number of its members is not less than three and not more than five. The decision shall specify the tasks of the committee, its work controls, and the remuneration of its members.*
- 2- *For a meeting of the Audit Committee to be valid, the presence of the majority of its members in person is required, and its decisions are issued by a majority of the votes of those present, and in the event of a votes tie, the side with which the meeting chair voted shall prevail.*
- 3- *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. 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 suffers serious damages or losses.*
- 4- *The Audit Committee considers the company's fiscal statements, reports and a note provided by the auditor, and expresses its views on them, if any. It must 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 the scope of its competence. The board of directors shall deposit a sufficient copy of this report at the company's head office at least twenty-one days before the date of the general assembly; to provide each of the shareholders who wish with a copy of it, and the report is read out during the assembly.*

Chapter (6): Account auditor

Article (39): Appointment of an account auditor

The company must have one or more auditors from those authorized to work in the Kingdom, to be appointed annually by the General Assembly and determine his fees, and it may reappoint him, and the assembly may also change him at any time without prejudice to his right to compensation if the change occurred at an inappropriate time or for an illegal reason.

The Ordinary General Assembly appoints the auditor, and selects him from three offers from licensed offices based on the recommendation of the Board of Directors.

Article (40): Account auditor powers

The auditor at all times has the right to audit the company's books, records and other documents, and he may request data and clarifications that he deems necessary to obtain in order to verify the company's assets and obligations.

The auditor shall submit to the annual general assembly a report that guarantees the company's position and enables him to obtain the data and clarifications he requested and what he may have detected of violations of the provisions of the Companies Law or the provisions of this Law, and his opinion on the extent to which the company's accounts conform to reality. The Chairman of the Board of Directors shall enable him to perform his duty, and if the auditor encounters difficulty in this regard, he shall prove this in a report submitted to the Board of Directors. If the Board does not indicate the auditor's work, he shall request the Board of Directors to invite the Ordinary General Assembly to consider the matter.

Chapter (7): Company accounts and dividends

Article (41): Fiscal year

The first fiscal year of the company begins from the date of the issuance of the decision of his Excellency the Minister of Commerce announcing its establishment and ends on 08/07/1413 H. corresponding to 31/12/1992 G., and each year thereafter is twelve months.

Article (42): Fiscal documents

- 1- At the end of each fiscal year, the Board of Directors prepares the company's fiscal statements and a report on its activities and fiscal position for the past fiscal year. It ensures from this report the proposed method for distributing profits. The Board puts these documents at the disposal of the auditor at least twenty-one days before the date set for the General Assembly.*
- 2- The company's chairman, chief executive and fiscal manager shall sign the documents referred to in paragraph (1) of this article, and copies thereof shall be deposited at the company's head office at the shareholders' disposal at least twenty-one days prior to the date set for holding the general assembly.*
- 3- The chairman of the board of directors shall provide the shareholders with the company's fiscal statements, the board of directors' report, and the auditor's report, unless they are published in a daily newspaper distributed in the company's head office, and to send a copy of these documents to the Ministry, as well as send a copy to the Capital Market Authority, at least fifteen days or twenty-one days before the date of the General Assembly.*

Article (43): Profits distribution

The company's annual net profits shall be distributed after deducting all general expenses and other costs as follows:

- 1- *Annually (10%) of the net profits shall be set aside to form a statutory reserve, and the Ordinary General Assembly may discontinue this set-up when the said reserve reaches (30%) of the paid-up capital.*
- 2- *The Ordinary General Assembly may, upon the proposal of the Board of Directors, set aside (30%) (Thirty percent) of the net profits to form a consensual reserve to be allocated to support the financial position of the company and it may also stop or use it.*
- 3- *After that, a dividend of not less than (1%) one percent of the profits shall be distributed to the shareholders.*
- 4- *Subject to what is stated in Article (21) of this bylaw, the remainder is then distributed to the shareholders as profits or carried over to the following years, in accordance with what is decided by the company's ordinary general assembly.*
- 5- *The Ordinary General Assembly may decide to distribute dividends to its shareholders on a quarterly or semi-annual basis, and it may authorize the Board of Directors to do so by virtue of a decision from it.*

Article (44): Profits maturity

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 maturity date and the date of distribution. The profits shall be mature to the shareholders registered in the shareholders' records at the end of the day specified for maturity.

Article (45): Company losses

If the company's losses amount to half of the paid-up capital, at any time during the fiscal year, any official of the company or the auditor must immediately inform the Chairman of the Board of Directors, and the Chairman of the Board of Directors must inform the members of the Board immediately, and the Board of Directors- within fifteen days from his knowledge of this- inviting the extraordinary general assembly to meet within forty-five days from the date of his becoming aware of the losses; to decide 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 its articles of association.

Chapter (8): Disputes

Article (46): Liability lawsuit

Each shareholder has the right to file a liability lawsuit for the company against the members of the board of directors if the mistake made by them would cause him special damage. A shareholder may not file the aforementioned lawsuit unless the company's right to file it still exists. The shareholder must inform the company of his intention to file the lawsuit, while limiting his right to claim compensation for the special damage he sustained. The company may be charged with the expenses incurred by the shareholder to file a lawsuit, regardless of its outcome, under the following conditions:

- 1. If he sued in good faith.*
- 2. If he submits to the company the reason for which he filed the lawsuit and does not receive a response within thirty days.*
- 3. If it is in the interest of the company to institute this lawsuit based on the provision of Article (seventy-ninth) of the law.*
- 4. The claim must be well founded.*

Chapter (9): Dissolution and liquidation of the company

Article (47): Company expiration

- 1- Upon the expiry of the term of the company, or in the event of its liquidation before the specified period, the extraordinary general assembly issued a decision of voluntary liquidation. The liquidation decision must include the appointment of the liquidator, specifying his powers and fees, restrictions imposed on his powers, and the time period required for liquidation. The period of voluntary liquidation must not exceed five years, and it is not permissible to make extension of it for more than that except by a judicial order, The authority of the board of directors ends with the expiration of the company, however, the board remains based on the management of the company, and for others it is considered liquidated until the appointment of the liquidated, whose appointment ends the authority and powers of the board of*

directors, and the company's members remain their competencies to the extent that they do not conflict with the competencies of the liquidator.

- 2- *The company is considered liquidated by the force of the bylaw if the extraordinary general assembly does not meet within the period specified in Article (45) of this bylaw, 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 prescribed in Article (45) of this bylaw, and the entire capital increase was not subscribed to within ninety days from the issuance of the assembly's decision to increase.*

Chapter (10): Final Provisions

Article (48): Company bylaw

The Companies Law and the Capital Market Authority Law, each in its jurisdiction, shall apply to everything not mentioned in this bylaw.

Article (49): Publication

This bylaw shall be deposited and published in accordance with the Companies Law.

God grants success,,,,,

<p>Company's name Arabian Pipes Company</p>	<p>Main law</p>	<p>Ministry of Commerce and Investment General Corporate Administration- Corporate Governance Department</p>
<p>Commercial Registry 1010085734</p>	<p>Date: 24/09/1442 06/05/2021</p>	<p>Faisal Al-Balawi</p>
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