



**Note:**

This version of the Company's Bylaws is an English translation of the original Company's Bylaws issued in the Arabic version, and in the event of any contradiction, the Arabic version shall prevail, as it is the official language in the Kingdom of Saudi Arabia.

**ملاحظة:**

تمثل هذه النسخة ترجمة باللغة الإنجليزية للنظام الأساس للشركة الصادر باللغة العربية، وفي حالة وجود أي تعارض بينهما، يعتمد ما ذكر في الصياغة العربية؛ باعتبار أن اللغة العربية هي اللغة الرسمية في المملكة العربية السعودية.

## CHAPTER ONE: FORMATION OF THE COMPANY

### Article (1): Incorporation of the Company

Saudia Dairy and Foodstuff Company (SADAFCO) under C.R. No. 4030009917 dated 21/4/1396H (hereinafter referred to as the “Company”), is established in accordance with the provisions of the Companies Law issued by Royal Decree (M/132) dated 01/12/1443H and its regulations and these bylaws from a limited liability company to Saudi Joint Stock company according to following:

### Article (2): Name of the Company

Saudia Dairy and Foodstuff Company (SADAFCO) (a listed Saudi Joint Stock Company).

### Article (3): Objectives of the Company

The Company conducts and implements the following objectives:

1. Agricultural and animal production, including the cultivation of agricultural crops, livestock breeding, milk production and its derivatives, poultry and apiaries, and the production of eggs and onions.
2. Maintenance, operation and management of agricultural projects, installation and maintenance of machinery, irrigation systems, greenhouses, grain silos, rental of agricultural machinery, maintenance, coordination and landscaping of gardens and parks, and agricultural pest control.
3. Investment in industrial fields, especially the manufacture and marketing of all foodstuffs, dairy and its derivatives, ice cream, juices, sweetened water, gaseous and mineral, plastic and cartons complementary industries.
4. Wholesale and retail trade in agricultural crops, foodstuffs, electrical and electronic appliances, household utensils and ready-made clothes.
5. Establishing, operating and managing hotels, restaurants, kitchens, restrooms, buffets and cafes, and providing tourism services.
6. Storage and refrigeration, especially the ownership, use, maintenance and rental of warehouses and refrigerators for food preservation.

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7. Agriculture, forestry and fishing.
8. Manufacturing industries and their branches according to industrial licenses.
9. Supply of electricity, gas, steam, air conditioning and its branches.
10. Water supply, sanitation activities, waste management and treatment.
11. Construction and building.
12. Transportation and storage activities, including land transportation of goods inside and outside the Kingdom of Saudi Arabia.
13. Accommodation and food services.
14. Information and Communication.
15. Financial, business and other services.
16. Buying and selling land, real estate and factories necessary to achieve the Company's objectives.
17. Professional, scientific and technical activities.
18. Administrative and support services.
19. Education.
20. Arts, Entertainment and Leisure.
21. Collective, social and personal services.
22. Private civil security guards.
23. Commercial agencies and distribution contracts.

The Company shall conduct its activities in accordance with the regulations that are in force, and after obtaining the required licenses from the competent authorities, if any.

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#### **Article (4): Participation and Interest in other Companies**

The Company may establish its own companies, limited liability companies, joint stock or simplified joint stock companies. It also may have a shareholding interest in other going concern companies, or merge therewith; as well as participate with others in the establishment of joint stock or limited liability companies, after fulfilling the requirements set forth by all relevant regulations and instructions. The Company may also dispose of said stake or shares, on the condition that the transaction does not involve an intermediary.

#### **Article (5): Head Office of the Company**

The head office of the Company shall be in Jeddah city. The Board of Directors of the Company may establish branches, offices or agencies for the Company, within or outside the Kingdom of Saudi Arabia.

#### **Article (6): Duration of the Company**

The Company was established for an indefinite period, starting from the date of its registration in the Commercial Register.

### **CHAPTER TWO: CAPITAL AND SHARES**

#### **Article (7): Capital of the Company**

The Company's capital is set at (SAR 325,000,000) (Three Hundred Twenty-Five Million Saudi Riyals), divided into (32,500,000) (Thirty-Two Million and Five Hundred Thousand) nominal shares of equal value, the value of each of which is (10) ten Saudi Riyals, all of which are ordinary shares.

#### **Article (8): Share Subscription**

Shareholders have subscribed to all of the Company's shares amounting to (32,500,000) (Thirty-Two Million and Five Hundred Thousand) shares with a value of (325,000,000) (Three Hundred Twenty-Five Million Saudi Riyals), fully paid upon conversion.

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### Article (9): Sale of Unpaid Shares

1. The shareholder shall pay the value of the share on the specified dates. If failed to do so, the Board of Directors may, after notifying this shareholder through the means of announcement approved by the competent authority, sell the share in the public auction or the stock market (as the case may be), and the other shareholders shall have priority in purchasing the shares of the failed shareholder, in accordance with the applicable regulations and controls set by the competent authority.
2. The Company shall collect the due amounts from the sale proceeds and return the remaining balance to the shareholder. If the sale proceeds are not sufficient to pay such amounts, the Company may collect the remainder from all the shareholder's total assets.
3. Enforcement of the rights related to overdue shares shall be suspended upon the expiry of the due date until they are sold or paid in accordance with the provisions of Paragraph (1) of this Article. These rights include the right to obtain a share of the net profits to be distributed and the right to attend the assemblies and vote on their decisions. However, shareholders who fail to pay until the day of the sale may pay the value due in addition to the expenses incurred by the Company in this regard; and in this case the shareholder has the right to request obtaining the dividends to be distributed.
4. The Company shall cancel the certificate of the sold share in accordance with the provisions of this Article, and it shall give the purchaser a new share certificate bearing the same number. An indication shall also be made in the shareholders' Register that the sale has taken place with the necessary data of the new owner.

### Article (10): Share Issuance

The Company's shares shall be nominal shares and indivisible against the Company. In the event that a share is owned by several persons, they shall select one person from amongst them to exercise, on their behalf, the rights pertaining to the share, and they shall be jointly responsible for the obligations arising from the ownership of the share. The Company's shares may not be issued for less than their nominal value but may be issued for a higher than this value. In this last case, the value difference is added in a separate item under the shareholders' rights.

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### Article (11): Share Trading and Shareholder Register

The Company's shares shall be traded in accordance with the provisions of the Capital Market Law and its implementing regulations.

### Article (12): Increase of Capital

1. By a decision of the Company's Board of Directors, the issued capital may be increased within the limits of the authorized capital (if any), provided that the issued capital has been paid in full.
2. The extraordinary general assembly may decide to increase the Company's issued or authorized capital, provided that said issued capital is paid up in full. The previous requirement is waived, if the unpaid portion of the capital is due to shares issued in exchange for the conversion of financing or debt instruments into shares, prior to the expiry of said conversion period.
3. The extraordinary general assembly may, in all cases, allocate the shares issued upon capital increase or part thereof to the employees of the Company and all or some of its subsidiaries, or any of that. Shareholders may not exercise the priority right when the Company issues shares allocated to employees.
4. Holders of shares at the time of the extraordinary general assembly's adoption of a resolution to increase the issued or authorized capital shall have pre-emptive rights to subscribe for the new cash shares. Shareholders shall be notified of their pre-emptive rights - if any - through the means of advertising approved by the competent authority stating the approval of the decision to increase capital, the terms of the offering, the means, its duration, start and end dates.
5. The extraordinary general assembly may revoke the pre-emptive rights of shareholders to subscribe for the capital increase in exchange for cash shares or grant the said pre-emptive rights to non-shareholders in cases it deems necessary in the Company's best interest.

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6. Shareholders may sell or assign their pre-emptive rights in accordance with the applicable regulations and controls set by the competent authority.
7. Without prejudice to the provisions of Paragraph 5 above, shares shall be allotted to the holders of pre-emptive rights who have expressed interest to subscribe thereto, in proportion to their pre-emptive rights resulting from the capital increase, provided that their allotment does not exceed the number of new shares they have applied for. Remaining new shares shall be allotted to pre-emptive rights holders who have asked for more than their proportionate stake, in proportion to their pre-emptive rights resulting from the capital increase, provided that their total allotment does not exceed the number of new shares they have asked for. Any remaining new shares shall be offered for public subscription, unless the extraordinary general assembly decides, or the Capital Market Law provides otherwise.

#### **Article (13): Decrease of Capital**

1. The extraordinary general assembly may reduce the Company's capital if it proves to be in excess of the Company's needs or if the Company sustains losses. Only in the latter case can the capital be decreased to a level below that stipulated in Article fifty-nine (59) of the Companies Law. The reduction resolution shall not be issued until a statement is read out in the general assembly prepared by the Board of Directors on the reasons for the reduction, the Company's obligations and the impact of the reduction on the fulfilment of such obligations; and a report from the Company's auditor shall be attached to this statement.
2. If the reduction of the capital is due to it being in excess of the Company's needs, then the Company's creditors must be invited to express their objection thereto (if any) at least forty-five (45) days prior to the date set for the extraordinary general assembly meeting to take a decision on the reduction, provided that a statement is attached to the invitation clarifying the amount of the capital before and after the reduction, the date of the meeting and the effective date of the reduction. Should any creditor object and present to the Company evidentiary documents within the time limit set above, then the Company shall pay such debt, if already due, or present an adequate guarantee of payment if the debt is due on.

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#### **Article (14): Conversion of Shares**

1. It is permissible to convert a type or category of shares into another type or category.
2. Converting a type or category of shares into another type or category requires the approval of the extraordinary general assembly, except for cases where the resolution issuing the shares stipulates their automatic conversion into another type or category upon meeting specific conditions or after a specified period.
3. The provisions of Article (110) of the Companies Law apply in cases where the conversion results in the modification or cancellation of rights and obligations associated with the type or category of shares.
4. The conversion of ordinary shares, preferred shares, or any class of their classes into redeemable shares or any class of their classes is not permissible except with the approval of all shareholders in the Company.

#### **Article (15): The Company's Purchase, Mortgage and Pledge of its own Shares**

1. The Company may buy, sell or pledge its own shares in accordance with the applicable regulations and controls set by the competent authority. Shares purchased by the Company shall not carry any shareholder assembly voting rights.
2. The Company may buy its shares for the purpose of allocating them to the Company's employees under the Employee Shares Program in accordance with the applicable regulations and controls set by the competent authority.

#### **Article (16): Issuing preferred shares or redeemable shares and buying them back**

The Company may issue preferred shares, or redeemable shares, or decide to buy them back, in accordance with the following controls:

1. Obtaining extraordinary general assembly approval.
2. Obtaining shareholders' approval, who are affected by this issuance, in a special meeting in accordance with to Article (110) of the Companies Law.

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3. The preferred shares shall not exceed (10%) of the Company's capital.
4. The Company's capital must be fully paid.
5. Comply with other relevant laws and regulations.

**Article (17): Sale of treasury shares**

The Company may sell treasury shares in one stage or several stages in accordance with the controls and procedures set by the competent authority.

**Article (18): Issuance of Debt Instruments or Financial Instruments**

1. The Company may issue -in accordance with the Capital Market Authority law- debt instruments or financing instruments.
2. The Company may issue -in accordance with the Capital Market Authority law- debt instruments or financing instruments that are convertible into shares after the issuance of a resolution from the extraordinary general assembly specifying the maximum number of shares that may be issued in exchange for these instruments, whether these instruments and are issued at the same time, or through a series of issues, or through one or more programs to issuance, and the Board of Directors issues -without the need for a new approval from this assembly- new shares only in exchange for those financial instruments or debt instruments whose holders request their conversion immediately after the end of the transfer period specified for the holders of such instruments, or upon the fulfillment of conditions for their automatic conversion into shares, or upon expiry of the specified period for such conversion. The Board shall take what is necessary to amend these Bylaws with regard to the number of issued shares and the capital.
3. The Board of Directors must announce the completion of the procedures for each capital increase to the commercial register.

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- The Company may convert the debt instruments or financial instruments to shares according to Capital Market Authority law, and this is subject to the holder's approval, whether such approval was previously obtained and included in the issuance conditions or obtained later by mutual agreement.

### CHAPTER THREE: BOARD OF DIRECTORS

#### Article (19): Management of the Company

The Company shall be managed by a Board of Directors composed of nine (9) members (the "Board" or the "Board of Directors") provided that they are elected by the shareholders' ordinary general assembly for a period of no more than four (4) years. The Board members may also be re-elected.

#### Article (20): Membership Termination

The membership of any of the Board members shall end by the expiration of their term or the appointment period in accordance with any law or instructions in force in the Kingdom. However, the ordinary general assembly may at any time dismiss all or some of the Board members, and in this case, the general assembly shall elect a new Board of Directors, or someone to replace the dismissed member (as the case may be) in accordance with the provisions of the Companies Law and its Implementing Regulations.

#### Article (21): Expiration of Board Term, Members Resignation, or Membership Vacancy:

- Before the end of its term, the Board of Directors shall call the ordinary general assembly to convene to elect a Board for a new session. If the election cannot be held and the term of the current Board term has expired, the members shall continue to perform their duties until the election of a Board for a new term, provided that the term of the Board members whose term has ended shall not exceed ninety (90) days from the date of the end of the term of the Board. The Board must take the necessary measures to elect a new Board before the continuity period specified in this paragraph.

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2. If the Board's chairman and members resign, they must call the ordinary general assembly to convene to elect a new Board, and the resignation shall not come into force until the election of a new Board, provided that the period of continuity of the resigned Board does not exceed (120) days from the date of that resignation. The Board of Directors shall take all necessary measures to elect a new Board before the expiry of the period of continuity specified in this paragraph.
3. A Board member may resign from the membership of the Board by virtue of a written notification addressed to the Chairman of the Board. If the Chairman of the Board resigns, the notification must be directed to the remaining Board members and the Board's Secretary. Resignation shall come into force -in both cases- from the date specified in the notification.
4. If the position of a Board becomes vacant due to the death or resignation of any of its members, and this vacancy does not result in a breach of the conditions necessary for the validity of the meeting of the Board due to the number of its members being less than the minimum, the Board may appoint (temporarily) in the vacant position a person who has sufficient experience, provided that the competent authorities are notified within fifteen (15) days from the date of appointment, and that the appointment be presented to the ordinary general assembly at its first meeting, and the appointed member completes the term of his/her predecessor.
5. If the necessary conditions for the validity of the Board meeting are not met due to the fact that the number of its members is less than the minimum stipulated in the Companies Law or in these Bylaws, the rest of the members must invite the ordinary general assembly to convene within sixty (60) days to elect the necessary number of members.

#### **Article (22): Board of Directors Powers**

1. Taking into account the powers established for the general assembly, the Board of Directors shall have the widest powers in managing and supervise the Company business to achieve its purposes, inside and outside the Kingdom of Saudi Arabia, including without limitation the following:

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- a- The right to participate in other companies and to manage their assets, properties, and real estate, and the right to buy, accept, pay the price, mortgage, release the mortgage, sell, vacate, receive the price, and deliver the price. However, with regard to the sale of Company real estate, the minutes of the Board of Directors' meeting and the rationale for its decision to dispose of the property should include the following conditions.
- The Board should specify in the sale resolution the reasons and justifications for it.
  - Sale should be close to the same price of similar sold items.
  - Sale should be present, except in cases determined by the Board and with sufficient guarantees.
- b- Contract loans with any party, such as government financing funds and institutions, and commercial loans with commercial banks, financial houses, credit companies, and others, regardless of their duration and for any limits determined by the Board of Directors.
- c- The right of settlement, assignment, contract, commitment and association in the name of and on behalf of the Company. The Board of Directors may carry out all acts and actions that would achieve the objectives of the Company.
- d- Formation of committees of all types, the determination of their powers and authorities, the appointment of their members from among the Board's members or others, the removal of members, and the determination of their remuneration.
- e- The Board of Directors shall, in the cases it determines, have the right to write-off the Company's debtors from their obligations in accordance with what is in its interest, provided that the minutes of the Board of Directors and the rationale for its resolution include observance of the following conditions:
- Write-off must occur at least one year after the debt was created.
  - Write-off shall be limited to a specific amount per debtor per year.
  - Write-off is a right of the Board, and it cannot be delegated.

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- The approval of the general assembly is required when the Board of Directors intends to sell assets that exceed fifty percent (50%) of the total value of its assets, whether the sale is made through a single transaction or multiple transactions. In this case, the transaction that leads to exceeding the fifty percent (50%) threshold of the asset value is the transaction that requires the approval of the general assembly. This percentage is calculated from the date of the first transaction that took place within the previous twelve (12) months.

The Board, within the limits of its competence, delegate one or more of its members or a third party to carry out certain duty or duties.

### **Article (23): Remuneration of Board Members**

- The Remuneration and Nomination Committee shall submit a recommendation to the Board of Directors regarding the remuneration of its members. Such remuneration may be a fixed amount, attendance fee for meetings, benefits in kind, or a certain percentage of the net profits. Two or more types of remuneration may be combined. The Board of Directors shall propose the amount of the remuneration to the ordinary general assembly at its annual meeting, each year separately.
- The Board of Directors' report to the ordinary general assembly in its annual meeting must include a comprehensive statement of all the members of the Board obtained it, or entitled to receive during the fiscal year in terms of bonuses, meeting attendance allowance, expenses allowance, and other benefits, It should also include a statement of what the members of the Board received in their capacity as workers, or administrators, or what they received in return for technical or administrative work or consultancy, and it should also include a statement of the number of meetings attended by each member.

### **Article (24): Powers of the Chairman, Vice-Chairman, Managing Director, Chief Executive Officer, and the Board Secretary**

- The Board of Directors appoints -at its first meeting- a Chairman and a Vice-Chairman from among its members, and the Board of Directors may appoint a Managing Director, Chief Executive Officer, or both. The Chairman of the Board may not hold his

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position with any executive position in the Company. The Vice Chairman of the Board of Directors replaces the Chairman of the Board of Directors in his/her absence.

2. The Chairman of the Board shall have the widest powers in managing the Company, including, but not limited to responsible for representing the Company in its relations with others, before the judiciary, government agencies, notaries, courts, committees for settling disputes of all kinds, arbitration bodies, chambers of commerce, private bodies, companies and institutions of all kinds, and signing all kinds of contracts, documents, including but not limited to contracts of incorporation of companies in which the Company participates. With all its amendments and appendices, signing agreements, instruments and transfer of ownership before notaries public, official bodies and loan agreements, guarantees, mortgages, their release, issuing legal agencies on behalf of the Company, pleading, defending, conciliation, acknowledgment and arbitration on behalf of the Company, it may delegate or authorize (by written resolution) some of its powers to other members of the Board or to others, to carry out certain work or activities inside or outside the Kingdom of Saudi Arabia.
3. Managing Director -If appointed- and the Chief Executive Officer shall implement the Board of Directors' resolutions, manage the Company's daily operations, and lead its employees under the supervision and control of the Board. The Board shall determine the scope and powers of the Managing Director and the Chief Executive Officer if not provided by these Bylaws.
4. Managing Director -If appointed- and the Chief Executive shall be responsible for managing the Company on a daily basis, in accordance with the powers and authorities granted to them by the Board -jointly or solely- they shall have the necessary authority to manage the Company's daily operations, such as representing the Company before all government and private ministries, authorities, police stations, public prosecution, chambers of commerce and industry, notaries, companies, and institutions of various types, as well as before all Sharia, administrative, judicial, and quasi-judicial courts, bodies, and committees in filing claims, defending the Company's interests, hearing claims, responding to them, admitting or denying them, settling disputes, and arbitrating on behalf of the

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Company, and in demanding the enforcement of judgments in all matters and disputes raised by or against the Company. They shall also receive court orders and collect all amounts due to the Company by means of certified or uncertified checks from enforcement courts or other entities, issue legal powers of attorney, appoint and dismiss attorneys and lawyers, sign all types of contracts, documents, and papers, including without limitation articles of incorporation of companies in which the Company participates, along with all their amendments and supplements, modify or cancel any contracts, documents, or papers related thereto, settle the Company's obligations, register trademarks and renew them, appoint and contract with employees, determine their salaries, dismiss them from service, request visas, bring in employees and workers from abroad, obtain residence permits, work licenses, transfer sponsorship, relinquish sponsorship, and access all government electronic platforms. Separately, each of them has the right to delegate or authorize one or more specific tasks to others, within or outside the Kingdom of Saudi Arabia.

5. The Board determines the remuneration to be obtained by the Chairman of the Board, the Managing Director -if appointed-, and the Chief Executive Officer, in addition to the remuneration prescribed for members of the Board of Directors.
6. The Board of Directors appoints a secretary to be chosen from its members or from others, who is responsible for recording the minutes of the Board of Directors meetings, writing down the resolutions issued by these meetings and archive them, in addition to exercising the other powers assigned to him/her by the Board of Directors, the Board fix his/her remuneration.
7. The term of Chairman, Vice-Chairman, Managing Director, Chief Executive, and Secretary -If he/she if from Board members- shall not exceed the term of their membership in the Board, and they may be re-elected. The Board of Directors may dismiss the Chairman, Vice Chairman, Managing Director, Chief Executive Officer, Secretary, or any of them, from their positions, without dismissing them of their membership in the Board of Directors.

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### Article (25): Board Meetings

1. The Board of Directors shall meet at least four (4) times in the fiscal year upon a call by the Chairman. Such call shall be made in writing and delivered by hand or by email. The Chairman of the Board shall call for a meeting if requested in writing by any Board member to discuss one topic or more.
2. The Board shall determine the place of its meetings, and its meetings may be held by technology means.

### Article (26): Board Meeting Quorum

1. A Board meeting shall be quorate only if attended by half of the members in person or by proxy, provided that the number of attendees in principle is no less than (three). Board members may delegate other Board members to represent them in meetings pursuant to the following:
  - a. a member of the Board may not act on behalf of more than one Board member during the same meeting;
  - b. a proxy shall be made in writing regarding the specified meeting;
  - c. a Board member acting by proxy may not vote on resolutions on which his/her principal is prohibited from voting on.
2. Board resolution shall be issued based on a majority of the opinions of the members present in person or represented by proxy. In the event of a tie, the Chairman of the meeting has the casting vote. However, certain resolution necessitate the approval of at least 60% of the Board members who are present in person or represented by proxy:
  - a. Borrowing in excess of (30%) of the Company's capital during any one fiscal year.
  - b. Approving capital expenditures in excess of (20%) of the Company's capital during any one fiscal year.
  - c. Establishing new factories or practicing new industrial activities.
  - d. Selling the Company's real estate.

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- The Board resolution shall be effective from the date of its issuance, unless it is stipulated that it shall be effective at another time or upon the fulfilment of certain conditions.
- The Board of Directors may issue its resolutions on the matters it deems appropriate by presenting them to all members by circulation, unless one of the members requests (in writing) the meeting of the Board for deliberation, and such resolutions shall be issued as soon as they are approved by the majority of the members of the Board and submitted to the Board at its first subsequent meeting to be recorded in the minutes of that meeting.

#### **Article (27) Board Deliberations:**

- Board deliberations and resolutions shall be recorded in minutes prepared by the Secretary and signed by the Chairman of the meeting, Board members, and the Secretary.
- The minutes shall be recorded in a special record to be signed by the Board Chairman and the Secretary.
- Modern technological means may be used for signing, verifying transactions, making resolutions, and recording minutes.

### **CHAPTER FOUR: SHAREHOLDERS' ASSEMBLIES**

#### **Article (28) Shareholders General Assembly Meeting**

- The shareholders' general assembly meeting shall be chaired by the Chairman of the Board or his/her deputy in his/her absence, or whoever is delegated by the Chairman of the Board, or whoever is delegated by the Board of Directors from among its members or others in their absence, and in the event that this is not possible, the general assembly shall be chaired by whoever is delegated by the shareholders from the Board members, or others by voting.
- Each shareholder shall have the right to attend the general assembly meeting, and he/she may appoint -on his/her behalf- another person other than the Board members.

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3. The convening of the general assembly meeting and the participation of shareholders in discussions and voting on the agenda may be conducted through modern technology, in compliance with the relevant regulations and guidelines established by the competent authority.

#### **Article (29) Convening General Assemblies**

1. General or special shareholders' assemblies shall be convened upon a call from the Board of Directors. The Board of Directors shall convene the ordinary general assembly within thirty (30) days from the date of the request of the auditor or one or more shareholders representing at least ten percent (10%) of the shares of the Company that has voting rights. The Auditor may call for the ordinary general assembly to be convened when the Board fails to call for such a meeting within thirty (30) days of the Auditor's request to do so.
2. The request referred to in Paragraph (1) of this Article must indicate the issues that the shareholders are required to vote on.
3. The invitation to convene the assembly shall be at least twenty-one (21) days prior to the specified date in accordance with the applicable regulations and controls set by the competent authority.

#### **Article (30) Quorum of Ordinary General Assemblies**

1. The ordinary general assembly meeting shall be quorate only if attended by shareholders representing at least one quarter of the Company's shares with voting rights.
2. If such quorum cannot be attained at the first meeting, A second meeting shall be convened under the same conditions provided for in Article (91) of the Companies Law within thirty (30) days following the date fixed for the previous meeting. However, the second meeting may be held one hour after the expiry of the period fixed for the first meeting, provided that the invitation to hold the first meeting includes an indication that such meeting can be held. In all cases, the second meeting shall be valid regardless of the number of shares that have voting rights represented therein.

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### Article (31) Quorum for Extraordinary General Meeting

1. The extraordinary general assembly meeting shall not be valid unless attended by shareholders representing at least half of the shares of the Company that have voting rights.
2. If this quorum is not available at the first meeting, a second meeting shall be called to be held in the same conditions provided for in Article Ninety-One (91) of the Companies Law. However, the second meeting may be held one hour after the expiry of the period fixed for the first meeting, provided that the invitation to the first meeting contains an indication that such meeting can be held. In all cases, the second meeting shall be valid if attended by a number of shareholders representing at least one quarter of the shares of the Company that has voting rights.
3. If the quorum necessary for the second meeting is not available, a third meeting shall be convened in the same conditions provided for in Article 91 of the Companies Law, and the third meeting shall be valid regardless of the number of shares that have voting rights represented therein.

### Article (32) Voting in Assemblies

1. Each shareholder shall have one vote for each share he/she represents at the general assemblies. Cumulative voting shall be implemented in the election of the Board of Directors so that the right to vote per share may not be used more than once.
2. The Board members may not participate in voting on the resolutions of the assembly that relate to works and contracts in which they have a direct or indirect interest or that involve a conflict of interest.
3. General and special shareholders' meetings may be held, and shareholders may participate in their deliberations and vote on their resolutions using modern technological means, according to the regulations set by the competent authority.

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### Article (33) Assembly Resolutions

1. Resolutions of the ordinary general assembly shall be adopted by the approval of an absolute majority of the shares represented thereat.
2. Resolutions of the extraordinary general assembly shall be adopted by the approval of a majority vote of two thirds of the voting rights represented at the meeting, unless the resolution to be adopted is related to increasing or reducing the capital, extending the Company's term, dissolving the Company prior to the expiry of the term specified therefor in these bylaws, merging the Company with another company, or dividing the Company into two or more companies; in which case, such resolution shall be valid only if adopted by a majority of three-quarters (3/4) of the voting rights represented at the meeting.

### Article (34) Assembly Discussions

Each shareholder shall have the right to discuss the items listed in the General assembly's agenda and to direct questions in respect thereof to the Board members and the Auditor, who shall answer the shareholder's questions to the extent that is not detrimental to the Company's interests. If the shareholder deems the answer to the question insufficient, then he/she may refer the issue to the general assembly and the latter's decision in this regard shall be conclusive and binding.

### Article (35) Preparation of Assemblies Minutes

Minutes shall be recorded at the meeting of the general assembly, including the number of shareholders present in person or on behalf of the assembly, the number of shares held by them in person or on behalf of them, the number of votes prescribed for them, the resolutions taken, the number of votes approved or opposed, and a compendium of the discussions that took place at the meeting. The minutes shall be recorded on a regular basis after each meeting in a special register signed by the chair and Secretary of the assembly and the vote-gatherers.

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## CHAPTER FIVE: EXTERNAL AUDITOR

### Article (36) Appointment of the Auditor(s)

1. The Company shall have one (or more) auditor(s) from among the licensed auditors in the Kingdom appointed by the general assembly, whose fees, term and scope shall be determined by the general assembly. Such auditors may be reappointed provided that the period of their appointment does not exceed the period prescribed by law.
2. By a resolution taken by the general assembly, the auditor(s) may be dismissed, and the Chairman of the Board shall inform the competent authority of the dismissal decision and the reasons therefor, within a period not exceeding five (5) days from the date of issuance of the resolution.
3. The auditor(s) may resign from their duties by virtue of a written notification submitted to the Company, and their assignment shall be terminated from the date of submission or at a later date specified by auditor in the notification, without prejudice to the Company's right to compensation for the damage caused if necessary. The resigned auditor(s) shall submit to the Company and the competent authority -upon submission of the notification- a statement of the reasons for their resignation, and the Board of Directors shall convene the general assembly to consider the reasons for their resignation, appoint another auditor(s), and determine their fees, duration and scope of work.

### Article (37) Responsibilities of the Auditor(s)

The Auditor(s) shall, at all times, have access to the Company's documents, accounting records and any supporting documents. They may also request information and clarification as it deems necessary to verify the Company's assets, liabilities and other matters that may pertain to the scope of their activities. The Chairman of the Board shall enable the Auditor(s) to perform their duties; and when the Auditor(s) encounters difficulties in this regard, the latter shall document the same in a report to be submitted to the Board of Directors. Failure of the Board to facilitate the work of

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the Auditor(s) shall result in the latter requesting that the Board calls for the ordinary general assembly meeting to discuss the matter. The auditor(s) may issue such invitation if the Board of Directors does not make it within thirty (30) days from the date of the auditor's request.

## CHAPTER SIX: COMPANY FINANCES AND DIVIDENDS

### Article (38): Fiscal Year

The Company's fiscal year shall commence as on the 1<sup>st</sup> of January and expire on 31<sup>st</sup> of December of each Gregorian year.

### Article (39) Financial Documents

1. At the end of each fiscal year, the Board of Directors shall prepare the Company's financial statements, as well as a report on the Company's activities and financial position for the preceding fiscal year. Said report shall include the method proposed for the distribution of profits. The Board of Directors shall share such documents to the Auditor's at least forty-five (45) days prior to the time set for convening the general assembly.
3. The documents defined in Paragraph (1) above shall be signed by the Chairman of the Board, its Chief Executive Officer and Chief Financial Officer, with a set thereof made available at the Company's head office for the shareholders to review.
4. The Chairman of the Board shall provide shareholders with the Company's financial statements, Board of Directors' annual report and Auditor's report after signing them, if they are not made available via the technology means approved by the competent authority. This distribution will take place at least twenty-one (21) days prior to the date of the general assembly.

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#### Article (40) CONFIGURE PRECAUTIONS

1. The ordinary general assembly -when calculating the allocation of shares in net profits- may decide to form reserves, to the extent that is in the interest of the Company, or ensures the distribution of fixed dividends, as far as possible, to shareholders.
2. The general assembly -based on Board recommendation- shall determine the percentage to be distributed to shareholders from the net profits after deducting reserves, if any.

#### Article (41) Distribution of Profits

1. Dividends distributed to shareholders shall be paid pursuant to the resolution of the general assembly issued in this regard, and the resolution shall indicate the maturity date and the date of distribution, and the eligibility for dividends shall be for the shareholders registered in the shareholders' records at the end of the day specified for maturity, and the Board of Directors shall implement the resolution of the general assembly regarding the distribution of dividends to shareholders within the specified period in accordance with the Companies Law and its implementing regulations.
2. The Company may distribute interim dividends to its shareholders on a semi-annual or quarterly basis by a resolution of the Board of Directors in accordance with the applicable regulations and controls set by the competent authority.

### CHAPTER SEVEN: EXPIRY AND LIQUIDATION OF THE COMPANY

#### Article (42) Expiry of the Company:

The Company shall expire by one of the reasons for expiry mentioned in Article (243) of the Companies Law. Upon its expiry, it shall enter into liquidation in accordance with the provisions of Chapter Twelve (12) of the Companies Law, and if the Company expires and its assets are insufficient to pay its debts or are in default in accordance with the Bankruptcy Law, it shall apply to the Competent Judicial Authority to commence any of the liquidation procedures under the Bankruptcy Law.

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## CHAPTER EIGHT: FINAL PROVISIONS

### Article (43) Companies' Law

1. The Company shall be subject to the applicable regulations in the Kingdom of Saudi Arabia.
2. Any provision within these Bylaws that contradicts the provisions of the Companies Law shall be deemed null and void. The Companies Law and its Implementing Regulations will take precedence over any conflicting provisions. Furthermore, any matters not covered by these Bylaws will be governed by the Companies Law and its Implementing Regulations.

### Article (44) Publication

These Bylaws shall be filed and published in accordance with the Companies' Law and its Implementing Regulations.

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