



Hail Cement Company
Joint Stock company
HCC Bylaw

approved & authenticated 19 Aug 2023

Notice	تنويه
<p>This English version of HCC Bylaw is a translation of the original Arabic version, and been given for the purpose of the awareness of non-Arabic speakers. In case of any discrepancy or Misinterpretation of the texts of any of its articles, the original Arabic copy shall prevail.</p>	<p>هذه النسخة الإنجليزية من النظام الأساس لشركة أسمنت حائل تمثل ترجمة للنسخة الأصلية الصادرة باللغة العربية والغرض منها تعريف الناطقين بغير اللغة العربية بالنظام الأساس للشركة. وفي حال وجود اختلاف في الترجمة أو خطأ في تفسير النص لأي مادة من مواد النظام يعتبر النص الأصلي الصادر باللغة العربية هو الحكم.</p>

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Chapter One: Incorporation of the Company:

Article One: Incorporation:

Hail Cement Company was established in accordance with the provisions of the Companies Law and its regulations, registered in Commercial Register No. 3350026399 dated 24/11/1431 AH corresponding to 30/11/2010 AD, and according to Ministerial Resolution No. 384 / Q dated 24/11/1431 AH corresponding to 30/11/2010 AD, and under the industrial license Issued by the General Investment Authority No. 41931098717 dated 16/09/1431 AH corresponding to 26/08/2010 AD, according to the following provisions:

Article Two: Company Name:

Hail Cement Company (a listed Saudi joint stock company), hereinafter referred to as the "Company".

Article Three: Purposes of the Company:

The purposes for which the company was established are the manufacture and production of cement and its accessories, derivatives and components, trading in it inside and outside the Kingdom of Saudi Arabia, managing and operating cement plants of all kinds, and for this purpose it has right to practice mining and exploitation of quarries and everything that enables the company to obtain raw materials for the cement industry such as limestone Clay, gypsum, kaolin, sand, silica sand ore, Iron ore, and other materials needed for the cement industry.

In achieving this purpose, it has the right to conclude all types of contracts, and to practice all aspects of activities that achieve its objectives, such as practicing the transport of cement, raw materials and all materials related to the cement industry. The company carries out its activities in accordance with the applicable regulations and after obtaining the necessary licenses from the competent authorities, if any.

Article Four: Participation and Ownership in Companies:

The company may establish companies on its own with limited liability, or a closed joint stock company, whatever its activity. It may also own stocks and stakes in other existing companies or merge with them, and it has the right to participate with others in establishing joint stock or limited liability companies, after fulfilling the requirements of the valid regulations and instructions in this regard. The company may also dispose of these shares or quotas, provided that this does not include mediation in their trading.

Article Five: The company's headquarters:

The company's head office is located in Hail city in the Kingdom of Saudi Arabia, and it may establish branches, offices or agencies inside or outside the Kingdom by a decision of the Board of Directors.

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Article Six: Duration of the Company:

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

Chapter Two: Capital and Shares

Article Seven: Capital:

The company's capital has been set at nine hundred and seventy-nine million (979,000,000) Saudi riyals, divided into ninety-seven million nine hundred thousand (97,900,000) nominal shares of equal value, the value of each of which is ten (10) Saudi riyals, all of which are ordinary cash shares.

Article Eight: Subscription to Shares:

Shareholders subscribed to all the shares of the company amounting to ninety-seven million nine hundred thousand (97,900,000) shares, the value of which is nine hundred and seventy-nine million (979,000,000) Saudi riyals. The shareholders acknowledge that the shares have been distributed among them and that the entire capital of the company has been paid.

Article Nine: Preferred Shares:

The extraordinary general assembly of the company may, in accordance with the principles set by the relevant authority, issue preferred shares or decide to purchase them or convert ordinary shares into preferred shares or convert preferred shares into ordinary shares. Preferred shares do not give voting rights in general assemblies, and these shares enable their owners to obtain a percentage more than the owners of ordinary shares of the net profits of the company.

Article 10: Selling Shares with not paid Value:

The shareholder is obligated to pay the value of the share on the dates specified for that, and if he fails to pay on the due date, the board of directors may, after notifying him by a registered letter at his address recorded in the shareholder register, sell the shares in public auction or the stock market in accordance with the controls determined by the relevant authority.

The company collects from the proceeds of the sale the amounts due to it and returns the remainder to the owner of the share. If the proceeds of the sale are not sufficient to meet these amounts, the company may collect the remainder from all the shareholder's funds.

However, the shareholder who fails 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.

The company shall cancel the sold share in accordance with the provisions of this Article, and shall give the purchaser a new share bearing the number of the canceled share, and shall indicate in the shares register that the sale has taken place, indicating the name of the new owner.

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Article Eleven: Issuance of Shares:

1- The shares of the company are nominal and indivisible against the company. If the share is owned by several persons, they must choose one of them to act on their behalf in using the rights related to it, and these persons shall be jointly liable for the obligations arising from the ownership of the share.

2- The company's Bylaw shall determine the nominal value of the share, and the shares shall be of the same type or class of equal nominal value.

3- Taking into account Paragraph (2) of this Article, the shares may be divided into shares of a lower nominal value, or merged to represent shares of a higher nominal value, and the relevant authority may set the necessary regulations for this.

Article Twelve: Stock Trading:

The company may buy or sell its shares, whether ordinary or preferred ones, or mortgage them. The company may also buy its shares to allocate them to the company's employees within the employee shares program, according to regulations set by the relevant authority. The shares purchased by the company will not have votes in shareholders' assemblies.

Article Thirteen: Shareholder Register:

The company's shares shall be traded in accordance with the provisions of the Capital market law.

Article Fourteen: Debt Instruments and Sukuk:

1. The company may issue - in accordance with the Capital Market Law and the provisions of the Companies Law - debt instruments or tradable financing Sukuk.

2. The company may not issue debt instruments or financing instruments that are convertible into shares, except after the issuance of a resolution by the Extraordinary General Assembly specifying the maximum number of shares that may be issued against those instruments or sukuk, whether those instruments or sukuk were issued at the time By itself or through a series of issuances or through one or more programs to issue debt instruments or financing instruments.

3. The Board of Directors shall issue, without the need for a new approval from the Extraordinary General Assembly, new shares in exchange for those instruments or sukuk whose holders request their transfer, immediately after the end of the transfer request period specified for the holders of those instruments or sukuk. The Board shall take the necessary actions to amend the company's Bylaw with regard to the number of issued shares and the capital.

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Article Fifteen: Capital Increase:

1- The extraordinary general assembly, after the approval of the relevant authorities, may decide to increase the company's capital once or several times by issuing new shares with the same nominal value as the original shares, provided that the capital has been paid in full, and it is not required that the capital be paid in full if The unpaid part of the capital belongs to shares issued in exchange for converting debt instruments or financing instruments into shares, and the period specified for converting them into shares has not yet expired.

2- 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.

3- The company's capital shall be increased in one of the following ways:

A- Issuing new shares in exchange for cash or in-kind shares.

B- The issuance of new shares in exchange of the company's due debts of a certain amount, provided that the issuance is at the value decided by the extraordinary general assembly after seeking the opinion of an expert or an authorized valuer, and after the Board of Directors and the auditor prepare a statement on the origin and amount of these debts signed by the Board members and auditors, and are responsible for its validity.

C- Issuing new shares to the extent of the reserve that the Extraordinary General Assembly decides to include in the capital. These shares must be issued in the same form and conditions as the traded shares, and these shares shall be distributed to shareholders free of charge in proportion to what each of them owns of the original shares.

d- Issuing new shares in exchange to debt instruments or financing instruments.

4- The shareholder who owns the share - at the time of issuing the decision of the Extraordinary General Assembly approving the increase of the issued capital or the decision of the Board of Directors approving its increase within the limits of the authorized capital - has priority in subscribing to new shares that are issued in exchange for cash shares, and he shall be notified of his priority - if any- By a registered letter to his address in the register of shareholders, or through modern technology, and with the decision to increase the capital, the terms and conditions of subscription, its manner, and its start and end dates, taking into account the type and category of the share he owns.

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5- The Extraordinary General Assembly has the right to suspend the priority right of shareholders to subscribe to the capital increase in exchange for cash shares, or to give priority to non-shareholders in cases it deems appropriate for the interest of the company.

6- A shareholder may sell or assign the priority right, with or without charge, as stipulated in regulations.

7- Taking into consideration the provisions of Paragraph (5) above, the new shares shall be distributed among the priority rights holders who have 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 obtain does not exceed the shares they requested. The remainder of the new shares shall be distributed among the holders of priority rights who have requested more than their share, in proportion to what they own of priority rights out of the total priority rights resulting from the capital increase, provided that what they obtain does not exceed what they have requested of the new shares, and the remainder of the shares shall be subtracted. On third parties, unless the extraordinary general assembly decides or the Capital market law stipulates otherwise.

Article Sixteen: Capital Reduction:

1- The Extraordinary General Assembly may decide to reduce the capital if it exceeds the company's needs or if it incurs losses. Only In the latter case, the capital may be reduced to less than the limit stipulated in Article (59) of the Companies Law. The reduction decision shall not be issued unless after reading a statement in the General Assembly prepared by the Board of Directors on the reasons for the reduction, the company's obligations and the effect of the reduction in fulfilling them. A report from the company's auditor shall be attached to this statement. It may be sufficient to present the aforementioned statement to the shareholders in cases where the decision of the General Assembly is passed by circulation.

2- If the capital reduction is a result of its excess to the company's need, the creditors must be invited to express their objections - if any - to the reduction at least (forty-five) days prior to the date specified for holding the extraordinary general assembly meeting to take the decision of reduction, provided that a statement should be the attached to invitation showing the amount of the capital before and after the reduction, the date of the meeting and the effective date of the reduction. If any of the creditors objects to the reduction and submits his documents to the company on the aforementioned date, the company must pay him his debt if it is due or provide him with sufficient guarantee to pay it if it is deferred.

3- The capital shall be reduced in one of the following ways:

A- Cancellation of a number of shares equal to the amount required to be reduced.

B- Reducing the nominal value of the share by canceling part of it equal to the loss incurred by the company.

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C- Reducing the nominal value of the share by returning part of it to the shareholder or by clearing him of all or part of the unpaid amount of the share value.

d- The company's purchase of a number of its shares equivalent to the amount required to be reduced, and then cancel it.

4- If the capital reduction is by canceling a number of shares, equality must be taken into account among the shareholders, and they must submit to the company - within the time specified by it - the shares that have been decided to be cancelled, otherwise they are considered cancelled.

5- If the capital reduction is by purchasing a number of the company's shares in order to cancel them, the shareholders must be invited to offer their shares for sale. This invitation to be made by informing the shareholders of the company's desire to buy the shares by registered letters through their addresses stated in the shareholders' register, or by announcing the invitation through modern technology.

If the number of shares offered for sale exceeds the number that the company decided to purchase, the sale orders must be reduced in proportion to this increase.

Chapter Three: The Board of Directors:

Article Seventeen: Company Management:

The company is managed by a board of directors consisting of seven (7) members elected by the ordinary general assembly of shareholders for a period of not more than four years. The members of the Board of Directors may be re-elected, and each shareholder has the right to nominate himself or another person or more for the membership of the Board of Directors, within the limits of his ownership percentage in The capital, provided that at least one-third of the board members are shareholders, and as an exception, the first board of directors of the company will be for a period of five years.

Article Eighteen: Termination of Board Membership:

Board membership ends with the expiration of its term or with the expiry of the member's eligibility in accordance with any system or valid regulations in the Kingdom. However, the Ordinary General Assembly may at any time terminate all or some of the members of the Board of Directors, without prejudice to the right of the terminated member towards the company to claim compensation if the termination occurred for a reason other than Acceptable or at an inappropriate time, and a member of the Board of Directors may resign, provided that this is at an appropriate time, otherwise he will be liable by the company for the damages resulting from his resignation.

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Article Nineteen: The Vacant Position in the Board of Directors:

If the position of one of the members of the Board of Directors becomes vacant, the Board may appoint a temporary member in the vacant position, provided that he is one of those who have sufficient experience. The Ministry and the Capital Market Authority must be notified of this appointment within (fifteen) days from the date of appointment, and the appointment shall be submitted to the Ordinary General Assembly in its next meeting, and the new member completes the term of his predecessor. If the necessary rules for the meeting of the Board of Directors are not met because the number of its members is less than the minimum stipulated in the Companies Law or this Law, the rest of the members must invite the Ordinary General Assembly to convene within (sixty) days to elect the necessary number of members.

Article Twenty: Authorities of the Board of Directors:

Taking into account the terms of reference of the General Assembly, the Board of Directors shall have the widest authorities in managing the company to achieve its objectives, and may, for example, but not be limited to:

Representing the company in its relations with third parties, government and private agencies, chambers of commerce and industry, private bodies, companies, banks, commercial banks, fund houses, all government financing funds and institutions of various names and specializations, and institutions of all kinds. The Board also has the right to contract, commit and be engaged on behalf of the company, enter into tenders, carry out all business and actions, and sign all types of contracts, papers and documents, including without limitation the article of association of companies in which the company participates (whether new or existing companies) with all its amendments, appendices, and amendment decisions. Including buying and selling shares and/or stocks, increasing and decreasing capital, amending management items, transferring and modifying the legal entity and other amendments, signing agreements and instruments before the notary public and other official bodies, as well as loan agreements, guarantees and sponsorships, issuing power of attorneys on behalf of the company, buying and selling, transfer of ownership and accepting it, receiving, delivering, renting, leasing, receiving, paying, opening accounts and credits, withdrawing and depositing in banks, issuing guarantees to banks funds and government financing institutions, signing all papers, promissory notes, checks, all commercial documents and all bank transactions. The Board of Directors may sell, buy, and mortgage real estate, movables, and the company's property.

However, with regard to the sale of the company's real estate, the minutes of the Board of Directors must include the reasons for its decision, taking into account that the Board state in the sale decision the reasons and justifications for it, and that the sold item is close to the ideal price, and that the sale is present except in cases approved by the Board and with sufficient guarantees, and that This action will not will not attributed cessation of some of the company's activities or other obligations on it.

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The Board of Directors may also conclude loans contracts with government financing funds and institutions, regardless their duration, and it may contract commercial loans whose term does not exceed the end of the company's term, provided that the Board of Directors state in its decision the aspects of using the loan and how to repay it.

The Board of Directors, and in cases it deems appropriate, may discharge the debtors of the company from their obligations in accordance with what is in its interest, provided that the minutes of the Board of Directors may take into consideration in its justification the following conditions:

- The discharge shall be after a full year has passed since the emergence of the debt.
- The discharge shall be for a specified amount as a maximum per year for one debtor.
- The discharge is a right of the Board that cannot be delegated.

The Board of Directors may provide financial support to any of the companies in which the company participates, as well as subsidiaries or sister companies, and guarantee the credit facilities obtained by any of the companies in which the company participates, as well as subsidiaries or sister companies, provided that the shareholders in these companies provide financial support, each according to the percentage of his ownership in company.

The Board of Directors may assign or authorize on its behalf, within the limits of its authorities, one or more of its members or a third party with powers, or to take a specific procedure or action, or to perform a certain work, and to revoke the authorization or delegation in part or in whole.

Article Twenty-One: Board Members' Remuneration:

The remuneration of the Board of Directors shall be within the limits of what is stipulated in the Companies Law and its regulations, and the report of the Board of Directors to the Ordinary General Assembly must include a comprehensive statement of all that the members of the Board of Directors received during the fiscal year in terms of remunerations, expenses allowances, and other benefits, and it should also include a statement of what the members of the Board have received in their capacity as workers or administrators, or what they have received in exchange for technical, administrative or consulting work, and that it also includes a statement of the number of Board meetings and the attendance of each member from the date of the last meeting of the General Assembly.

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Article Twenty-Two: Authorities of the Chairman, deputy, Managing Director and Secretary:

The Board of Directors shall appoint a Chairman and deputy Chairman from among its members, and may appoint a Managing Director. It is not permissible to combine the position of Chairman of the Board of Directors with any executive position in the company.

The Chairman or his deputy, in his absence, shall have the authority to call the Board to a meeting and to chair the Board meetings.

The chairman of the board is responsible for representing the company in its relationship with others, before the judiciary, government agencies, notaries, courts, dispute settlement committees of all kinds, arbitration and civil rights departments, police departments, chambers of commerce, private bodies, companies and institutions of all kinds, issuing power of attorneys, appointing agents and lawyers, dismissing them, pleading, defending, litigation and conciliation. Acknowledgment, arbitration, acceptance of judgments and objection to them on behalf of the company, and signing all types of contracts, documents and papers, including without limitation the articles of associations of companies in which the company participates (whether new or existing companies) with all its amendments, appendices, and amendment decisions, including the sale and purchase of shares and /or shares, increase and decrease of capital, amend management items, transfer and modify the legal entity and other amendments, and sign agreements, instruments and discharges before the notary public and official bodies and loan agreements after obtaining prior approval by the Board of Directors with funds and government financing institutions, banks, banks, financial funds, guarantees, sponsorships and mortgages release it, collect the company dues and pay its obligations, sell, buy, transfer of ownership and accept it, receive, deliver, hire, rent, receive, pay, enter into tenders, open accounts and credits, withdraw and deposit with banks, issue bonds, checks and all commercial papers, appoint and contract with employees, determine their salaries and terminate them, request visas and recruit employees and workers from abroad. Issuance of residence licenses and work permits, transfer and assignment of guarantees, and the chairman may delegate and authorize others within the limits of his competences with authorities, or to take a specific procedure, or to perform a certain work or actions, and he may cancel and revoke the authorization in part or in whole.

The Managing Director has the authorities determined by the Board of Directors, and he must implement those instructions that the Board of Directors assign to him, and he must also handle the daily business of the company.

The remuneration of the Chairman in addition to the remuneration prescribed for the members of the Board of Directors, shall be according to the Board's estimation and a decision issued by it.

The vice-chairman of the board of directors shall replace the chairman of the board of directors in his absence.

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The Board of Directors shall appoint a secretary from among its members or from others. He shall be responsible for the tasks determined by the Board of Directors and his remuneration shall be determined by the Board of Directors. The term of the Chairman, his deputy and the Secretary of the Board of Directors shall not exceed the term of membership of each of them in the Board, and they may be re-elected. The Board may, at any time, dismiss them or any of them without prejudice to the right of dismissal compensation if the dismissal occurred for an illegitimate reason or at an inappropriate time.

Article Twenty-Three: Board Meetings:

The Board of Directors meets at least (four) times a year upon the invitation of its Chairman. The invitation shall be in writing and may be delivered by hand or sent by mail, fax or e-mail. The Chairman of the Board shall invite the Board to a meeting whenever requested by two of the members.

Article 24: Board meeting quorum:

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

- a. The member of the Board of Directors may not represent more than one member in attending the same meeting.
- B. The representation must be fixed in writing.
- c. The representative member may not vote on decisions that the system prohibits the represented member from voting on.

The Board of directors' decisions are issued by the absolute majority of the opinions of the members present or represented. (And when opinions are equal, the side with which the chairman of the meeting voted shall prevail) and the Board may issue decisions by circulation by submitting them to each member of the Board of Directors separately, unless one of the members requests in writing a meeting of the Board for discussion, and these decisions are issued if approved by the absolute majority of the members of the Board. These decisions to be submitted to the Board of Directors in its next meeting.

Board meetings may also be conducted by telephone or any other electronic means that allows the members present to be heard from each other. Any member participating by phone or by other electronic means is considered present throughout the meeting.

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Article Twenty-Five: Council Deliberations:

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

Article 26: Conflict of Interest:

Each member of the Board of Directors shall notify the Board of his direct or indirect interest in the business and contracts that are concluded for the company's account, and this notification shall be recorded in the minutes of the meeting. This member may not participate in voting on the decision taken in this regard by the Board of Directors and the shareholders' assemblies. The Chairman of the Board of Directors shall notify the Ordinary General Assembly, when it convenes, of the business and contracts in which a member of the Board has a direct or indirect interest. The notification shall be accompanied by a relevant report from the company's external auditor.

Chapter Four: Shareholders' Assemblies:

Article Twenty-Seven: Attending Assemblies:

Each shareholder has the right to attend the general assemblies' meetings, and in this he may authorize another person other than the members of the Board of Directors or the company's employees to attend the general assembly.

Article 28: Ordinary General Assembly competences:

With the exception of matters related to the extraordinary general assembly, the ordinary general assembly is concerned with all matters related to the company, and it convenes at least once a year during the six months following the end of the company's fiscal year. Other ordinary general assemblies may be called whenever the need arises.

Article Twenty-Nine: Extraordinary General Assembly Competences:

The Extraordinary General Assembly is concerned with amending the company's Bylaw, with the exception of matters that are regulatory prohibited to amend, deciding whether to continue or liquify the company, and approving the company's purchase of its shares. It may issue resolutions on matters originally included in the terms of reference of the Ordinary General Assembly, under the same terms and conditions prescribed for the Ordinary General Assembly.

Article Thirty: Invitation to General Assemblies:

The general or private assemblies of the shareholders are convened upon the invitation of the Board of Directors, as stipulated in the Companies Law and the Corporate Governance Regulations. The Board of Directors must invite the Ordinary General Assembly to convene within (thirty) days from the date of the request of the auditor or one or more shareholders representing

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(ten percent) at least of the company's shares that have voting rights. The auditor may invite the assembly to convene if the board does not invite the assembly within thirty days from the date of the auditor's request.

The General Assembly invitation shall be published through modern technology or any other appropriate means at least twenty-one days prior to the date set for the meeting. However, it may suffice to address the invitation on the mentioned date to all shareholders by registered letters. A copy of the invitation and the agenda shall be sent to the Ministry of Commerce, as well as the Capital Market Authority, within the period specified for publication.

Article Thirty-One: Register of Assemblies Attendance:

Shareholders who wish to attend the General or private Assembly shall register their names at the company's headquarter before the time set for the meeting, or according to any other method specified by the company.

Article Thirty-Two: Quorum of the Ordinary General Assembly Meeting:

1. The meeting of the Ordinary General Assembly shall not be valid unless attended by shareholders representing at least (a quarter) of the shares of the company that have voting rights.
2. If the required quorum for the meeting of the Ordinary General Assembly is not available in accordance with Paragraph (1) of this Article, an invitation shall be sent to a second meeting to be held under the same conditions stipulated in the Article related to the invitation of assemblies of this Bylaw within (thirty) days following the date specified for the previous meeting. . However, the second meeting may be held an hour after the end of the period specified for the first meeting, and the invitation to hold the first meeting should include an indication of the possibility of holding that meeting. In any cases, the second meeting shall be valid regardless of the number of shares that have voting rights represented therein.

Article Thirty-Three: Quorum for the Extraordinary General Assembly Meeting:

1. The meeting of the Extraordinary General Assembly shall not be valid unless it is attended by shareholders representing at least (half) the shares of the company that have voting rights.
2. If the required quorum for the meeting of the Extraordinary General Assembly is not available in accordance with paragraph (1) of this Article, an invitation shall be sent to a second meeting to be held under the same conditions stipulated in the article related to the invitation of assemblies of this bylaw. However, the second meeting may be held an hour after the end of the period specified for the first meeting, provided that the invitation to hold the first meeting includes evidence that this meeting can be held. In any cases, the second meeting shall be valid

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if attended by shareholders representing at least (quarter) of the shares of the company that have voting rights.

3. If the quorum required for the second meeting is not met, an invitation is sent to a third meeting to be held under the same conditions stipulated in the article related to the invitation of assemblies in this bylaw, and the third meeting is valid regardless of the number of shares that have voting rights represented in it.

Article Thirty-Four: Voting in Assemblies:

Each shareholder has one vote for each share in the General Assemblies, and the cumulative voting must be used in electing the Board of Directors.

It is also possible for shareholders to vote in the general assemblies of the company through electronic voting services that the company provides in coordination with the relevant authorities, and any shareholder participating through electronic voting services is considered present throughout the meeting and his vote and attendance are considered.

Article Thirty-Five: Assemblies Resolutions:

1. The resolutions of the Ordinary General Assembly shall be issued with the approval of the majority of the voting rights represented in the meeting.
2. The resolutions of the Extraordinary General Assembly shall be issued with the approval of (two-thirds) of the voting rights represented in the meeting, unless the resolution is related to increasing or decreasing the capital, extending the term of the company, or dissolving it before the expiration of the period specified in its Bylaw, or its merger with another company, or its split into two or more companies, then it is not valid unless it is issued with the approval of (three quarters) of the voting rights represented in the meeting.
3. The Board of Directors shall register in the Commercial Register the resolutions of the Extraordinary General Assembly that are specified by the regulations within (fifteen) days from the date of their issuance.

Article Thirty-Six: Discussion in Assemblies:

1. When preparing the agenda of the General Assembly, the Board of Directors shall take into account the issues that the shareholders wish to include. One or more shareholders representing at least (ten percent) of the shares of the company that have voting rights have the right to add one or more topics to the agenda when preparing it, and the relevant authority has the right to amend this percentage.

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2. The Board of Directors must single out each of the topics listed on the agenda of the General Assembly in a separate item, and not combine fundamentally different topics under one item, and not place the businesses and contracts in which any member of the Board of Directors has a direct or indirect interest under one item for the purpose of voting on the entire item.
3. Each shareholder has the right to discuss the topics listed on the agenda of the General Assembly and ask questions in this regard to the members of the Board of Directors and the auditor. The Board of Directors or the auditor shall answer the questions of the shareholders to the extent that does not affect the company benefit.

Article Thirty-Seven: Chairing Assemblies and Preparing Minutes:

The meeting of the general assembly of shareholders shall be chaired by the chairman of the board of directors or his deputy in his absence, or whomever the board of directors delegated from among its members in their absence. In the event that this is not possible, the general assembly is chaired by whomever the shareholders delegate from among the board members or others by voting.

Minutes of the meeting of the assembly shall be written including the number of shareholders attended or represented, the number of shares held by them in person or by proxy, the number of votes for them, the decisions taken, the number of votes for or against them, and an adequate summary of the discussions that took place in the meeting. Minutes are recorded regularly after each meeting in a special register signed by the Assembly chairman, the secretary and the collectors of votes.

Chapter Five: Audit Committee, Executive Committee, and Nominations and Remunerations Committee:

Article Thirty-Eight: Board Committees:

The Board of Directors may form a number of committees according to the needs of the company and its circumstances to carry out work determined by the Board of Directors from time to time. Except as otherwise stipulated in this bylaw, committee members may be appointed from among the members of the Board of Directors or others. The appointed members of these committees perform the tasks assigned to them by the Board from time to time in accordance with the instructions and directives of the Board.

Article Thirty-Nine: Audit Committee:

The Audit Committee is formed by the decision of the company's board of directors, consisted of at least (three) members, provided that it does not exceed (five) members, other than the executive members of the board of directors, whether they are shareholders or others. The internal regulations of the company define the role of the committee, its work rules, and the authorities and remunerations of its members.

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Article forty: Audit Committee meeting quorum:

The validity of the Audit Committee meeting requires the attendance of the majority of its members, and its decisions are issued by the majority of the votes of the attendance, and when the votes are equal, the side with which the chairman of the meeting voted will prevail.

Article forty-one: Competences of the Audit Committee:

The audit committee is responsible for monitoring the company's business and verifying the accuracy and integrity of reports, financial statements and internal control systems. The company's internal regulations and policies define the audit committee's functions, duties, work rules, authorities and remunerations.

Article forty-two: Audit Committee Reports:

The audit committee shall review the company's financial statements, reports and notes submitted by the auditor, and express its views thereon, if any. It shall also prepare a report on its opinion regarding the adequacy of the company's internal control system and the other work it has undertaken within the scope of its competence. The Board of Directors shall deposit sufficient copies of this report at the company's headquarters at least (twenty-one) days prior to the date of the General Assembly meeting to provide each of the shareholders who desires a copy thereof, and the report shall be read during the meeting.

Article forty-three: Executive Committee:

The Board of Directors may form an executive committee from among its members. The Board appoints the committee chairman from among the members of the Executive Committee, and the Board of Directors determines the committee's work method, competences, number of its members, and the necessary quorum for its meetings. The committee exercises the authorities assigned to it by the Board in accordance with the instructions and directives of the Board. The Executive Committee may not cancel or amend any of the decisions and rules approved by the Board of Directors.

Article forty-four: The Nominations and Remuneration Committee:

The (Nominations and Remunerations Committee) shall be formed by a decision of the Board of Directors of the company from non-executive members of the Board of Directors, provided that at least one of them is an independent member. The internal regulations and policies of the company define the terms of reference of the Nominations and Remunerations Committee, its tasks, work rules, authorities and remunerations.

Chapter Six: Auditors:

Article 45: Appointment of the Auditor:

The company must have an auditor (or more) from among the licensed auditors in the Kingdom. The Ordinary General Assembly shall appoint him annually, and determine his remuneration and

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the duration of his work. The Assembly may also at any time change him without prejudice to his right to compensation if the change occurred at an inappropriate time. or for an illegal reason.

Article forty-six: Auditor's authorities:

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

The auditor shall submit to the annual ordinary general assembly a report prepared in accordance with the valid accounting standards, including the position of the company's management in enabling him to obtain the data and clarifications he requested, and any violations to the provisions of this bylaw or the provisions of the companies law, and his opinion on the fairness of the company's financial statements. The auditor reads his report in the General Assembly meeting. If the assembly decides to ratify the report of the board of directors and the financial statements without listening to the auditor's report, then its decision is considered invalid.

The auditor might not disclose to shareholders other than in the General Assembly meeting or to third parties the company's confidential issues that he came to know while doing his work, otherwise he must be terminated in addition to compensation claim.

The auditor shall be responsible of compensating the damage that occurs to the company, the shareholders or third parties due to the errors that made by him while performing his work. If there are multiple auditors and they share the error, they are jointly liable.

Chapter Seven: The Company's Accounts and Dividend Distribution:

Article forty-seven: Fiscal year:

The company's fiscal year begins on the first of January and ends on the 31st of December of each calendar year.

Article 48: Financial Documents:

1. At the end of each fiscal year of the company, the board of directors must prepare the company's financial statements and a report on its activities and financial position for the past fiscal year. This report shall include the proposed method of distributing dividends. The Board shall place these documents at the disposal of the auditor at least forty-five (45) days prior to the date set for the General Assembly.
2. The documents referred to in Paragraph (1) of this Article shall be signed by the Chairman of the Board of Directors of the company, its Chief Executive Officer, and its Financial Director,

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and copies thereof shall be deposited at the company's main office at the disposal of the shareholders at least twenty-one days prior to the date set for the General Assembly.

3. The chairman of the board of directors shall provide the shareholders with the company's financial statements, the report of the board of directors, and the auditor's report, unless they have been published in any of the modern technological means. He shall also send a copy of these documents to the Ministry of Commerce, as well as to the Capital Market Authority, at least twenty-one (21) days prior to the date of the General Assembly meeting.

Article 49: Dividend Distribution:

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

1. The Ordinary General Assembly, based on a recommendation of the Board of Directors, may set aside a percentage of the annual net profits to form an agreed reserve to be allocated for a specific purpose or purposes decided by the General Assembly.
2. The Ordinary General Assembly may decide to form other reserves to the extent that serves the benefit of the company or ensures the distribution of fixed dividends -as much as possible- to the shareholders.
3. Subject to the provisions stipulated in the article related to the remuneration of members of the Board of Directors in this Bylaw, and Article (76) of the Companies Law, the remuneration of the Board of Directors shall allocate a certain amount or an allowance for meetings attendance or In-kind benefits or a certain percentage of the net profits, and it is permissible to combine two or more From the fore-mentioned, the entitlement to this reward is commensurate with the number of meetings attended by the member.
4. The company may distribute interim dividends to its shareholders on a semi-annual or quarterly basis in accordance with the regulations issued by the relevant authorities.

Article 50: Entitlement to Dividends:

The shareholder is entitled to his share of dividends per the General Assembly resolution or the Board of Directors, where applicable, issued in this regard. The resolution shall specify the eligibility date, and the distribution date. The eligibility of dividends shall be to shareholders registered in the shareholder registers at the end of the day specified for the entitlement.

Article fifty-one: Company losses:

If the joint-stock company's losses reached half of the issued capital, the board of directors must disclose that and its recommendations regarding those losses within (sixty) days from the date of its knowledge of reaching this amount, and should invite the extraordinary general assembly to convene within (one hundred and eighty)) days from the date of becoming aware of this matter, to consider the continuation of the company and to take any of the necessary actions to deal with or resolve such losses.

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Chapter Eight: Disputes:

Article fifty-two: Liability lawsuit:

1. The company may file a liability lawsuit against the manager or members of the board of directors due to a violation to the provisions of the company's Bylaw, or its articles of association, or because of errors, negligence, or failure in performing their work, which results in damages to the company, the partners, the assembly or the shareholders may decide to file this lawsuit and appoint someone to act on behalf of the company to carry it out. If the company is in the process of liquidation, the liquidator shall file the lawsuit. In the event that any of the liquidation procedures are initiated against the company in accordance with the bankruptcy law, the filing of this lawsuit by its representative shall be lawful.
2. A partner, shareholder, or more representing (five percent) of the company's capital may file a liability claim for the company in the event that the company fails to file it, taking into account that the main objective of filing the claim is to achieve the benefit of the company, and that the claim is based on a valid basis, and the plaintiff must be in good faith and a partner or shareholder in the company at the time the lawsuit is filed.
3. It is required to file the lawsuit referred to in Paragraph (2) of this Article; notifying the company's manager or members of its board of directors - where applicable - of the intention to file the lawsuit at least (fourteen) days prior to the date of filing it.
4. A partner or a shareholder may file a personal lawsuit against the manager or members of the board of directors if their mistake is liable to cause a harm to him personally.

Chapter Nine: Dissolution and Liquidation of the Company:

Article fifty-three: Dissolution of the company:

Once the company has expired, it enters the stage of liquidation and maintains its legal nature to the extent necessary for liquidation. The voluntary liquidation resolution is issued by the Extraordinary General Assembly. The liquidation resolution must include the appointment of the liquidator, his authorities and fees, the restrictions imposed on his authorities, and the time period required for liquidation. The period of voluntary liquidation must not exceed (three) years. It may not be extended for more than that except by a judicial order, and the authority of the board of directors of the company ends with its dissolution. Nevertheless, they remain in charge of managing the company and are considered as liquidators in relation to others until a liquidator is appointed and Shareholders' assemblies remain in place during the liquidation period, and their role is limited to exercising their competences that do not conflict with the competences of the liquidator.



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Chapter Ten: Final Provisions:

Article fifty-four:

The Companies Law and its regulations shall be applied in everything that is not provided in this Bylaw.

Article fifty-five:

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