

# City Cement Company

## New Company Bylaws

### Part One: Company's Incorporation

#### Article (1): Incorporation

In accordance with the provisions of the Companies Law promulgated by Royal Decree No. (M/132) dated 01/12/1443H/ 30/06/2022 AD, its Implementing Regulations, and these Bylaws, City Cement Co. (a Saudi Public Joint-Stock Company) is hereby incorporated as set forth below.

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

City Cement Co. (a Saudi Public Joint-Stock Company).

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

The objects of the Company shall be as follows:

- a. Production, marketing, wholesale, and retail trade of ordinary and resistant Portland cement, clinker, and building materials within and outside the Kingdom of Saudi Arabia.
- b. Importing and operating radioactive equipment for Company plants.
- c. General contracting for buildings (construction, repair, demolition, and restoration).
- d. Specialized subcontracting.
- e. Installation contracting.
- f. Other construction works and contracting.
- g. Maintenance and operation of residential, commercial buildings, and industrial facilities.
- h. Mechanical works.
- i. Quarrying.
- j. Import and export of all types of cement and its derivatives.
- k. Buying and selling lands, owning real estate, constructing buildings thereon, and investing them for the benefit of the Company.
- l. Treating industrial, agricultural, and municipal waste and rubbish, and producing alternative fuel.

The Company shall engage in these activities after obtaining the necessary licenses from the relevant authorities, if required.

#### **Article (4): Participation and Ownership in Companies**

Subject to compliance with the Companies Law and its Regulations, the Company may have an interest in or establish a company or companies on its own or jointly with others, or otherwise participate with entities or companies that engage in business similar, incidental, or conducive to its activities, including in maintenance, operation, and transport, which may help it achieve its objects. The Company may own shares or stakes in such companies, merge them, merge with them, or acquire them. Additionally, the Company may have an interest in or participate in any way with other companies, provided it does not exceed the amount of its reserves, with the Ordinary General Assembly being informed accordingly at its first meeting.

#### **Article (5): Company's Purchase of its Own Shares**

The Company may purchase or pledge its ordinary or preferred shares, and, subject to legal controls, may also buy its own shares for allocation to Company employees within an employee stock ownership plan. Shares so purchased by the Company shall not carry voting rights in shareholder meetings.

#### **Article (6): Head Office**

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

#### **Article (7): Term**

The term of the Company shall be ninety-nine (99) calendar years, commencing from the date of the Minister of Commerce and Industry's decision announcing its incorporation. The Company's term may always be extended by a resolution of the Extraordinary General Assembly passed at least one (1) prior to its expiration.

### **Part Two: Capital and Shares**

#### **Article (8): Company's Capital**

The capital of the Company shall be 1,400,000,000 (One Billion Four Hundred Million) Saudi Riyals, divided into 140,000,000 (One Hundred Forty Million) shares of equal value, with the nominal value per share being ten (10) Saudi Riyals, fully paid up.

#### **Article (9): Subscription to Shares**

The founders have subscribed to the entire issued capital of (1,400,000,000) One Billion Four Hundred Million Saudi Riyals, fully paid up.

#### **Article (10): Issuance of Shares**

The Company's shares shall be nominal and may not be issued for less than their nominal value. However, they may be issued at a premium, in which case the premium amount shall be allocated to a separate account under shareholders' equity and shall not be distributed as dividends to shareholders. A share shall be indivisible in relation to the Company; if a share is owned by multiple persons, they shall select one from amongst themselves to represent them in exercising the rights associated with the share. These persons shall be jointly and severally liable for the obligations arising from the ownership of the share.

#### **Article (11): Trading of Shares**

Shares shall be traded in accordance with the provisions of the Capital Market Law and its Implementing Regulations.

#### **Article (12): Capital Increase**

1. The Extraordinary General Assembly may resolve to increase the Company's capital, provided that the capital has been fully paid. However, it shall not be required for the capital to be fully paid if the unpaid portion thereof pertains to shares issued against the conversion of debt instruments or financing sukuk into shares, and the prescribed period for their conversion into shares has not yet expired.
2. In all cases, the Extraordinary General Assembly may, upon increasing the capital of the Company, allocate the newly issued shares, in whole or in part, to the Company's employees, employees of its subsidiaries, or any combination thereof. Shareholders may not exercise pre-emptive rights when the Company issues shares allocated to employees.
3. A shareholder who owns a share at the time of the Extraordinary General Assembly's decision to approve the capital increase shall have a pre-emptive right to subscribe to new shares issued against cash contributions. Such shareholders shall be notified of their pre-emptive rights, if applicable, by registered mail to their respective addresses as stated in the shareholders' register, or through modern technological means, and informed of the capital increase decision, subscription terms, procedures, and start and end dates, subject to the type and class of shares they own.
4. The Extraordinary General Assembly may suspend the pre-emptive right of shareholders to subscribe to a capital increase against cash contributions, or give such right to non-shareholders if deemed in the Company's best interests.
5. Shareholders may, subject to the regulations set by the competent authority, sell or assign their pre-emptive rights with or without financial consideration.
6. Subject to paragraph (4) above, newly issued shares shall be distributed to holders of pre-emptive rights who requested subscription in proportion to their pre-emptive rights out of the total pre-emptive rights resulting from the capital increase, provided that the number of newly issued shares they receive does not exceed the number of shares they requested. The remaining new shares shall be distributed to holders of pre-emptive rights who requested more than

their share in proportion to their pre-emptive rights out of the total pre-emptive rights resulting from the capital increase, provided that the number of newly issued shares they receive does not exceed the number of shares they requested. Any remaining shares shall be offered to other than the holders of preemptive rights, unless otherwise resolved by the Extraordinary General Assembly or stipulated by the Capital Market Law.

#### **Article (13): Capital Reduction**

1. The Extraordinary General Assembly may resolve to reduce the Company's capital if it exceeds the Company's needs or if the Company has incurred losses. Only in the latter case may the capital be reduced below the limit specified in Article 59 of the Companies Law. The resolution for reduction shall not be issued until a statement, prepared by the Board of Directors, is presented at a general meeting, explaining the grounds for the reduction, the Company's liabilities, and the impact of the reduction on meeting these liabilities. This statement shall be accompanied by a special report from the Company's Auditor.
2. If the reduction of capital is due to it exceeding the Company's needs, creditors must be invited to submit their objections, if any, to the reduction at least forty-five (45) days before the date set for the Extraordinary General Assembly meeting to decide on the reduction. The invitation shall include a statement showing the capital before and after the reduction, the date of the meeting, and the effective date of the reduction. If a creditor objects and submits supporting documents to the Company within the specified period, the Company must either settle their debt if already due, or provide sufficient guarantee for payment if it is due in the future.
3. In the event of a capital reduction, shareholders holding shares of the same type and class should be treated on an equal footing.

#### **Article (14): Loan Bonds or Sukuk**

The Company may, in accordance with applicable regulations, issue any kind of loan bonds or sukuk, whether for public offerings or otherwise, inside the Kingdom of Saudi Arabia or abroad.

#### **Part Three: Board of Directors**

#### **Article (15): Board Formation**

The Company shall be managed by a Board of Directors consisting of seven (7) members appointed by the Ordinary General Assembly of Shareholders for a term not exceeding four (4) years.

#### **Article (16): Expiry of Board Membership**

1. Membership on the Board shall expire upon the termination of its term or the termination of a member's membership under any laws or regulations in force in the Kingdom. However, the Ordinary General Assembly may, upon the recommendation of the Board, terminate the membership of a member who fails to attend three (3) consecutive meetings or five (5) non-consecutive meetings during their term without a valid excuse acceptable to the Board. The Ordinary

General Assembly may also, at any time, dismiss all or some members of the Board, in which case the Ordinary General Assembly shall elect a new Board of Directors or replacements for the dismissed members, as the case may be, in accordance with the provisions of the Companies Law.

2. A Board member may resign by written notice to the Chairman of the Board, provided that this is done at an appropriate time; otherwise, the member shall be liable to the Company for any damages resulting from the resignation. If the Chairman of the Board resigns, the notice shall be given to the remaining members of the Board and the Board Secretary. The resignation shall be effective, in both cases, from the date specified in the notice.
3. If the Chairman and members of the Board resign, they shall call the Ordinary General Assembly to convene to elect a new Board of Directors. The resignation shall not take effect until the new Board is elected, provided that provided that the resigning Board does not continue to carry out its duties beyond the period specified in the Implementing Regulations of the Companies Law.

#### **Article (17): Board Vacancies**

1. If a position on the Board becomes vacant due to the death or resignation of any member, and the minimum number of members required for the validity of Board meetings is not affected by such vacancy, the Board may, on a temporary basis, appoint an adequately competent and experienced member to the vacant position, provided that such appointment shall be communicated to the Commercial Registry and the Capital Market Authority within fifteen (15) days from the date of appointment and shall be presented to the Ordinary General Assembly at its first next meeting. The new member shall complete the remaining term of their predecessor.
2. If the minimum number of members required for the validity of Board meetings as stipulated in the Companies Law or these Bylaws is not met, the remaining members shall call for an Ordinary General Assembly meeting within sixty (60) days to elect the required number of members.

#### **Article (18): Authorities of the Board of Directors**

Without prejudice to the authorities of the General Assembly, the Board of Directors shall have the broadest authorities and powers to manage the Company and supervise its affairs, finances, and operations, both within and outside the Kingdom. Members of the Board shall act as agents of the Company and shareholders. The Board shall have the right to appoint and dismiss employees, apply for visas, recruit and contract with workers from outside the Kingdom, determine their wages, obtain residence permits, transfer and assign sponsorships. The Board shall have the authority to manage the Company's assets, property, and real estate, including the right to purchase, approve purchases, pay the price, mortgage, release the mortgage, sell, transfer ownership, collect the price, hand over the sold property, receive deeds, and apply for replacement deeds. The Board shall obtain the General Assembly's approval when selling Company assets exceeding fifty percent (50%) of the total value of its assets, whether the sale is conducted through a single transaction or a series of transactions. In such case, the transaction resulting in exceeding fifty percent (50%) of the value of assets shall be the transaction requiring the General Assembly's approval. This percentage shall be calculated from the date of the first transaction conducted within the preceding twelve (12) months.

The minutes of a Board meeting at which a resolution is made to dispose of Company assets, property, or real estate shall meet the following requirements:

1. The Board shall specify the reasons and justifications for the sale in its resolution.
2. The sale price shall be comparable to the market value of similar assets.
3. The sale price shall be paid immediately, except where the Board, at its discretion, determines otherwise, subject to sufficient guarantees.
4. The disposal shall not result in the discontinuation of any Company activities or burden the Company with additional liabilities.

The Board may also arrange loan agreements with government financing funds and institutions, regardless of their term, as well as commercial loans that do not exceed the Company's term, subject to the following requirements for loans exceeding three (3) years:

1. The Board shall specify in its resolution the purposes for which the loan will be used and how it will be repaid.
2. The loan terms and the guarantees provided for it shall not harm the Company, its shareholders, or the general guarantees for creditors.
3. The value of loans arranged by the Board in any one (1) fiscal year shall not exceed seventy-five percent (75%) of the Company's capital.

The Board may delegate or authorize on its behalf, within the limits of its competence, one or more of its members or others to take a specific action or perform specific tasks, and it may revoke such delegation or authorization in whole or in part.

Additionally, the Board shall have the authority, in such cases as it deems appropriate, to discharge Company debtors from their liabilities in alignment with the Company's best interests, provided that the following shall be observed in the Board minutes and resolution:

1. The discharge shall occur after at least one (1) year has passed since the debt was incurred.
2. The discharge authority shall be exercised by the Board itself and cannot be delegated.

#### **Article (19): Board Remuneration**

The remuneration for Board members shall be as recommended (or determined) by the Nomination and Remuneration Committee and approved by the General Assembly for each member during the expired fiscal year, including monetary sums, attendance fees, or in-kind benefits. Members may combine two or more of these benefits within the limits prescribed by the Companies Law or any supplementary regulations. In addition, the Board may approve travel, accommodation, and lodging expenses for non-resident members for each meeting in accordance with the applicable regulations, resolutions, and instructions issued by the competent authorities in the Kingdom. The Board of Directors' report to the Ordinary General Assembly at its annual meeting shall include a detailed statement of all amounts paid or payable to each Board member during the fiscal year, including salaries, attendance fees, expenses, and other benefits. The report shall also detail any amounts received by Board members as employees or administrators, or as compensation for technical, administrative, or advisory services previously approved by the Ordinary General Assembly. Additionally, the report shall indicate the number of Board meetings and the number of meetings attended by each member.

#### **Article (20): Authorities of the Board Chairman, the Vice Chairman, and the Managing Director**

1. The Board shall appoint from among its members a Chairman and a Vice Chairman, and may also appoint a Managing Director. The Chairman, or the Vice Chairman in the absence of the Chairman, shall have the authority to call and preside over Board meetings and to represent the Company in its dealings with third parties and with government and private entities. This includes representation before Sharia courts, judicial bodies, the Board of Grievances, labor offices, higher and preliminary committees, commercial paper committees, judicial commissions, arbitral tribunals, the Civil Rights Department, the Emirate, police departments, the Traffic Department, the Civil Defense Department, the Passports & Deportation Department, ministries, municipalities, airports, embassies, customs, seaports, chambers of commerce and industry, private entities, companies, and establishments of all kinds. In addition, they shall have the authority to enter into tenders and receiving and repayment. He shall also have the right to admit, deny, plead, claim, defend, litigate, clearance and conciliation about accounting, division and sorting, attend meetings, filing lawsuits, conciliation and discharge, accept, deny, appealing and cassation of judgments, arbitration for the company, requesting the implementation of judgments, opposing them, and receives what has been received from execution, assignment of all rights, cases, donation, pre-emption, guarantee, request for oath, issuance of validation arguments for all properties, request for instruments' amendment of their limits and area, deletion and addition, receipt of instruments and request for issuance of a duplicate therefor. Moreover, he shall have the right to sign all types of contracts, documents and papers, including, without limitation, contracts for the Assembly Meetings of companies and their branches in which the company participates, their transformation and merging with all their amendments, appendices classification, amendment decisions and capital change decisions, extract commercial registrations, renewal, addition, amendment, delisting, and signing of agreements and instruments before the notary public and official authorities as well as non-usurious loans' agreements, guarantees, warranties and issuance of powers of attorney on behalf of the company. He shall have the right to negotiate with companies, institutions and individuals, enter with them as partners, buy, sell and assign shares, attend meetings, founding Assembly Meetings and general Assembly Meetings and discuss and vote on behalf of the company therein. He shall have the right to sell, buy, wind up and accept it, hand over, take over, rent and lease, receive and pay, mortgage and mortgage redemption and may borrow and arrange loans with government, national and international financing institutions and funds regardless of its duration and commercial, national and international non-usurious loans and have the right of conciliation and concession, contracting, commitment and engagement on behalf of the company and under its name. It shall have the right to dispose of the company's assets, property and real state, opening, closing, liquidating, updating and activating current and investment accounts and investment portfolios, credits, withdrawals, deposits, transferring to and from the company's accounts and outside them with banks, making exchange cards, entering pass words, issuing bank guarantees, signing, issuing, cashing and endorsement of all papers, documents and checks in national and foreign currency, and all banking transactions, including signing monetary and non- monetary credit facilities and treasury agreements. He shall have the right to invest and operate funds in the national and international financial markets, and have the right to delegate third party in all or part of his authorities.
2. The Chairman may delegate (in writing) some of his authorities to board members or third parties to carry out specific tasks.
3. The Vice Chairman may also act on behalf of the Chairman in the aforementioned authorities in the event of his absence.

4. The Managing Director shall obtain his authorities under a Board's decision.
5. The Board shall determine, at its discretion, the special remuneration that the Chairman, Vice Chairman, and Managing Director shall receive, in addition to the remuneration stipulated for the Board Members under Article (76) of the Companies Law.
6. The Board may appoint a company CEO from among its members or third parties and the Managing Director and CEO positions may be combined. The Board, in the decision of his appointment, shall determine the powers, authorities, duties, remunerations and term of office of the CEO.
7. The Board shall appoint a Secretary of the Board, either from among its members or third parties, and determine the remunerations thereof. The Secretary shall be responsible for recording the minutes of the Board meetings, and drawing up and maintaining the decisions issued therein, as well as having other competences assigned thereto by the Board.
8. The term of membership of the Chairman, Vice Chairman, Managing Director, Board Member and Secretary shall not exceed the term of membership of each of them in the Board. The Board may remove the Chairman, Vice Chairman, Managing Director, CEO, and Secretary, or any of them, from their positions. However, this shall not result in the termination of their board membership. They may always be reappointed.

#### **Article (21): Meetings of the Board of Directors**

The Board shall meet at the call of its Chairman or its deputy at least four times a year, and the call shall be in writing and it may be delivered by hand or sent by post, fax or e-mail. The Chairman of the Board shall call for the meeting whenever any Board Member submits a written request to discuss one or more specific matters

It is also permissible for the Board to meet outside the head office of the company if circumstances so require, upon the approval of all members of the Board. Meetings may be convened using modern technological means.

#### **Article (22): Quorum for Board Meetings**

Board meeting shall be valid only if attended by half of the members of the Board, at least, provided that the number in any way shall not be less than four members originally. In the event that a Board Member delegates another Member to attend the Board meetings, the delegation shall be in accordance with the following controls:

1. It is not permissible for a member of the Board of Directors to represent more than one member in attending that meeting.
2. The delegation shall be fixed in writing and for a specific meeting.
3. The deputy shall not vote on the decisions on which the Law prohibits the delegator from voting thereon.

#### **Article (23): Decisions of the Board of Directors**



1. The decisions of the Board of Directors shall be issued by the absolute majority of the votes of the Board members attended or represented at the meeting. When the votes are equal, the side with which the Chairman of the Board voted or whoever heads the Board in its absence shall be outweighed, and as an exception, the following decisions require the approval of no less than four (4) members of the Board of Directors attended or represented at the meeting:
  - a. Borrowing in excess of (30%) of the company's capital during any one fiscal year.
  - b. Approving capital investments in excess of (20%) of the company's capital during any one fiscal year.
  - c. Selling the company's properties.
2. The Board of Directors may issue decisions for passing by presenting it to all members individually unless a member requests to write the minutes of the Board Meetings for deliberation therein and such decisions shall be made with the approval of the majority of the members' votes and shall be presented to the Board at the first subsequent meeting.

#### **Article (24): Deliberations of the Board of Directors**

The board's deliberations and decisions shall be fixed in minutes prepared by the Secretary and signed by the Chairman, Board Members attending the meeting, and the Secretary.

These minutes shall be recorded in a specific record signed by the Chairman of the Board and the Secretary.

Modern technological means may be used for signing, recording deliberations and decisions, and documenting minutes.

#### **Part Four: General Assembly Meetings**

#### **Article (25): Attending Assembly Meetings**

Every shareholder shall have the right to attend the general Assembly Meetings and it may delegate any party, other than the Board of Directors' Members or company employees, on its behalf to attend the General Assembly. The General Assembly meeting may be held using modern technological means, allowing shareholders to participate in deliberations and vote on decisions.

#### **Article (26): Ordinary General Assembly**

With the exception of matters pertaining to the Extraordinary General Assembly, the Ordinary General Assembly shall have the competence over all matters related to the company and it shall be held at least once a year during the six months following the end of the company's fiscal year. Other Ordinary General Assembly Meetings may also be called whenever the need arises.

#### **Article (27): Extraordinary General Assembly**

The Extraordinary General Assembly shall have the authority to amend the company's Articles, with the exception of provisions that it is prohibited to be amended by law. It may issue decisions on matters falling within the competences of the Ordinary General Assembly, according to the same terms and conditions established for the Ordinary General Assembly.

#### **Article (28): Publishing the Call for the General Assembly**

The General Assembly Meetings of the shareholders shall be held at the call of the Board of Directors. The Board of Directors shall convene an Ordinary General Assembly within 30 days from the date of a request by the auditor, the audit committee, or shareholders representing at least ten percent (10%) of the company's voting shares. The auditor may call for the meeting to be held if the board did not call the assembly within thirty days from the date of the auditor's request. The request referred to in this Article shall specify the matters to be voted on by the shareholders.

The call for convening the Assembly shall be issued at least twenty-one (21) days before the date set for the meeting, in accordance with the provisions of the Law, taking into account the following:

1. Notifying shareholders through registered letters sent to their addresses as recorded in the shareholders' register, or by announcing the call through modern technological means.
2. Providing a copy of the call and the agenda to the Commercial Register, as well as to the Saudi Market Authority on the date of the call announcement.

The call for convening the Assembly meeting shall include, at least, the following:

1. Statement of the entitlement of the attendee to the General Assembly meeting and their right to delegate someone of their choice who is not a member of the Board of Directors, and a statement of the shareholder's right to discuss the agenda items of the General Assembly and to raise questions, as well as how the voting right is to be exercised.
2. Venue, date, and time of the meeting.
3. Type of the meeting, whether it is a general or special assembly.
4. Agenda of the meeting, including items requiring shareholders' votes.

#### **Article (29): Assembly Meeting's Attendance Record**

Shareholders who wish to attend the general or private assembly shall register their names in the company's head office or any other place and by means that the company deems appropriate, prior to the time set for the assembly Meeting.

#### **Article (30): Quorum for the Ordinary General Assembly Meeting**

The Ordinary general assembly meeting shall not be valid unless being attended by shareholders representing, at least, a quarter of the company's voting shares. If this quorum is not available at the first meeting, one of the two options shall be chosen as follows:

1. The second meeting shall be held one hour after the end of the period specified for holding the first meeting, provided that the call to hold the first meeting includes proof of the possibility of holding such meeting.

2. A call shall be directed for a second meeting to be held within the (30) days following the date set for the preceding meeting.

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

#### **Article (31): Quorum for the Extraordinary General Assembly Meeting**

The extraordinary general assembly meeting shall not be valid unless being attended by shareholders representing, at least, half of the company's voting shares. If this quorum is not available at the first meeting, one of the two options shall be chosen as follows:

The second meeting shall be held one hour after the end of the period specified for holding the first meeting, provided that the call to hold the first meeting includes proof of the possibility of holding such meeting.

A call shall be directed for a second meeting to be held according to the same conditions stipulated in Article (37) of these Articles.

In all cases, the second meeting will be valid if attended by a number of shareholders representing at least a quarter of the company's voting shares. If the necessary quorum is not available in the second meeting, a call shall be directed for a third meeting to be held according to the same conditions stipulated in Article (37) of these Articles, and the third meeting shall be valid regardless of the number of shares represented therein.

#### **Article (32): Voting in Assembly Meetings**

Every shareholder shall have a vote for every share in the general Assembly Meetings and the cumulative vote shall be used in the election of the members of the Board of Directors, so that the voting right for a share is exercised no more than once.

Members of the Board of Directors shall not vote on General Assembly decisions concerning business or contracts in which they have a direct or indirect interest, or which entail a conflict of interest.

#### **Article (33): Assembly Decisions**

The decisions of the Ordinary General Assembly shall be issued by a majority of the voting rights represented at the meeting. The decisions of the Extraordinary General Assembly shall also be issued by a two-thirds majority of the voting rights represented in the meeting unless it is a decision related to increasing or reducing the capital, extending the term of the company or dissolving the company before the expiry of the period specified in its articles of association, merger of the company with another company, or division of the company into two or more companies, so the decision shall be valid only if it is issued by a three-quarters majority of the voting rights represented at the meeting.

#### **Article (34): Discussion in the Meetings**

Every shareholder shall have the right to discuss the topics on the assembly's meeting agenda and direct questions about them to the members of the board of directors and the auditor. The board of directors or the auditor shall answer the shareholders' questions to the extent that it does not harm the interest of the company, and if the shareholder considers that the response to its question is not convincing, it may refer to the assembly and its decision, in this regard, shall be enforceable.

#### **Article (35): Chairmanship of the Assembly Meetings and Preparing Minutes**

The general assembly meetings shall be chaired by the chairman or its deputy in its absence, or whoever is delegated by the board of directors from among its members for this matter in the absence of the chairman and its deputy.

If this is not feasible, the General Assembly shall be chaired by an individual appointed by the shareholders through voting, either from among the members of the Board or third parties.

The chairman appoints a secretary for the meeting and votes collector, and at the assembly meeting, a minute is drawn up to include the names of the shareholders attended or representatives, the number of shares in their possession by originality or agency and the number of votes prescribed therefor, the decisions taken, the number of votes agreed or disagreed thereon. As well as a full summary of the discussions that took place in the meeting, and the minutes shall be drawn up on a regular basis, after each meeting, in a specific register signed by the General Assembly's chairman, secretary, and vote collector.

#### **Part Five: Auditor**

#### **Article (36): Appointment of the Auditor**

1. The company shall have one or more auditors licensed to operate in the Kingdom, to be appointed by the General Assembly annually, and it shall determine its remuneration and the duration and scope of its work.
2. The General Assembly may also dismiss the auditor. The Chairman of the Board shall inform the relevant authority of the decision to dismiss and its grounds within a period not exceeding 5 days from the date of the decision's issuance.
3. The auditor may resign from its duties by providing written notice to the company. Its mandate shall terminate from the date of submission or on a later date specified in the notice, without prejudice to the company's right to seek compensation for any resulting damages if applicable. Upon submission of the resignation notice, the resigning auditor shall provide the company and the relevant authority with a statement outlining the reasons for its resignation. The Board of Directors shall convene the General Assembly to deliberate on the reasons for the resignation, appoint another auditor, and determine its remuneration, and the duration and scope of its work.

#### **Article (37): Powers of the Auditor**

The auditor shall have the right at any time to access the company's books, accounting records, supporting documents and other documents, and it may also request the data and notes that it deems necessary to be obtained, in order to verify the company's assets, liabilities, and other things that fall within the scope of its work.

The Board of Directors shall enable it to perform its duty, and if the auditor encounters difficulty in this regard, it shall prove that in a report submitted to the board of directors. If the board does not facilitate the work of the auditor, it shall ask the board of directors to call the ordinary general assembly to consider the matter. If the Board of Directors fails to issue this call within thirty (30) days from the date of the auditor's request, the auditor may do so.

#### **Part Six: Company Accounts and Dividend Distribution**

##### **Article (38): Fiscal Year**

The company's fiscal year shall start on the first of January and ends on December 31 of each calendar year, provided that the first fiscal year begins from the date of its registration in the Commercial Register and ends on December 31 of the following calendar year.

##### **Article (39): Financial Statements**

1. The Board of Directors shall, at the end of each fiscal year for the company, 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 for distributing dividends, and the board shall place such documents at the disposal of the auditor at least forty-five days before the date set for the meeting of the general assembly.
2. The company's chairman, chief executive officer, and financial director shall sign the documents referred to in this article, and copies of them shall be deposited in the company's head office at the shareholders' disposal.
3. The chairman of the Board of Directors shall provide the shareholders with the financial statements of the company, the report of the board of directors and the auditor's report, unless it is published using any of the modern technological means, at least 21 days prior to the scheduled date of the Annual Ordinary General Assembly meeting. He shall also deposit such documents in accordance with the provisions stipulated in the Executive Regulations of the Companies Law.

##### **Article (40): Distribution of Dividends**

1. The Ordinary General Assembly may set aside a percentage of the annual net profits to form reserves to the extent required to serve the Company's best interest or to distribute consistent profits to Shareholders, whenever feasible. The aforementioned Assembly may also allocate funds from the net profits for the fulfillment of social purposes for the company's employees.
2. The General Assembly shall determine the proportion of net dividends to be distributed to the shareholders after deducting reserves, if any.

**Article (41): Interim Dividends**

The company may distribute interim dividends to its shareholders in semi-annual or quarterly form after the company's general assembly authorization of the board to distribute interim dividends according to a decision to be renewed annually.

**Article (42): Time of Dividend Distribution**

The Shareholder shall be entitled to receive their share of dividends as per the decision of the General Assembly in this regard. The decision shall specify the maturity and distribution dates. Entitlement to dividends of the Shareholders registered in the Shareholders Register shall fall due at end of day of the maturity date. The Board of Directors shall implement the decision of the General Assembly regarding the dividends to the registered shareholders.

**Article (43): Company Losses**

In the event that the losses of the joint-stock company reach fifty percent of the issued capital, the Board of Directors shall disclose this information and any recommendations concerning those losses within 60 days from the date of becoming aware of such occurrence. Subsequently, the Extraordinary General Assembly shall be convened within 180 days from the date of such knowledge to deliberate on the company's continuity and to undertake any necessary measures to address or resolve the said losses.

**Part Seven: Disputes****Article (44): Liability Claim**

Every shareholder shall have the right to file a lawsuit for the liability established for the company against the members of the board of directors if the mistake made by them would cause harm to it, provided that the right of the company to file it is still valid, and the shareholder shall notify the company of its intention to file the lawsuit.

**Part Eight: Dissolution and Liquidation of the Company****Article (45): Company Expiration**

The company shall expire upon any of the expiration causes outlined in Article 243 (Two Hundred and Forty-Three) of the Companies Law. Upon its expiration, the company enters the stage of liquidation in accordance with the provisions of Chapter Twelve of the Companies Law. If the company expires and its assets are inadequate to discharge its debts, or if it becomes insolvent pursuant to the provisions of the Bankruptcy Law, it shall petition the competent judicial authority to initiate any liquidation proceedings under the Bankruptcy Law.

**Part Nine: Final Provisions**

**Article (46): Companies Law**

1. The company shall be governed by laws in force in the Kingdom of Saudi Arabia.
2. The Companies Law and its regulations shall be applied in all matters that are not stipulated in these Articles.
3. Any provision conflicting with the provisions of the Companies Law within these Articles shall be deemed invalid. In such cases, the Companies Law and its implementing regulations shall prevail. Any matter not addressed by a provision in these Articles shall be governed by the Companies Law and its implementing regulations.

**Article (47): Promulgation of the Bylaws**

These Articles shall be promulgated and published pursuant to the provisions and regulations of the Companies Law.