

**Memorandum of Association of
The National Agricultural Development
Company (NADEC)
Saudi Listed Joint-Stock Company**



Chapter (1)

Incorporation of The Company

Article (1) Incorporation:

Based on the Companies Law and the Regulations and this Memorandum of Association, **Haradh Agricultural and Livestock Production Co. Ltd.** has been transformed into a joint stock company in the name of **The National Agricultural Development Company (NADEC)** between the shareholders under the following terms and conditions:

Article (2) Company's Name:

The National Agricultural Development Company (NADEC) - Saudi Listed Joint-Stock Company



Article (3) Company's Objectives:

- 1- Agricultural and food production, plants and animal, commercially by scientific methods, such as the cultivation of grains, vegetables, fruits and feeds, the production of raw milk and its derivatives, juices, drinking water, livestock and poultry breeding, etc., and marketing them for commercial purposes.
- 2- Reclamation of agricultural lands in order to achieve the above-mentioned purpose.
- 3- Manufacturing, storing, packing and marketing agricultural products for commercial purposes. In order to achieve its objectives, the company may

own real estate, agricultural lands, means of transportation, and establish facilities and maintenance workshops to the extent required by its work.

- 4- Establishing silos, manufacturing flour, baked goods, pastries, sweets and other bakery products, and marketing and distributing them for commercial purposes.
- 5- Import and export of agricultural, animal and food products and materials.
- 6- Renting, acquiring, using and maintaining warehouses and food storage refrigerators.
- 7- Transporting the company's agricultural, animal and food products inside and outside the cities.
- 8- Constructing and repairing irrigation channels, main water storage towers, and digging and maintaining water wells.
- 9- Irrigation pipe extensions, maintenance and repair.
- 10- Operation of irrigation systems for agricultural projects.

The company is not allowed to exercise its activities unless after obtaining the required licenses from the concerned authorities.

Article (4) Participation and Merge:

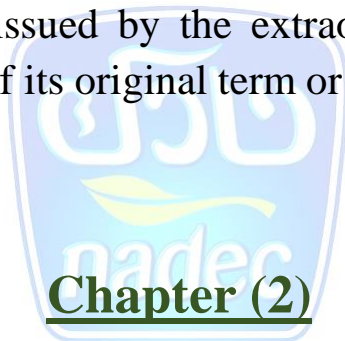
The company may establish a limited liability or closed joint stock companies (provided that their capital shall not be less than (5) Five Million Saudi Riyal. It also may acquire shares or stocks in other existing companies or merge therewith, or participate with Third Parties in establishing joint stock or limited liability companies after fulfilling the requirements of the applicable laws and instructions in this regard. The company may also dispose of such shares or stocks provided that this shall not include mediation in its circulation.

Article (5) Head Office:

The head office of the company is located in Riyadh – Kingdom of Saudi Arabia. The board of directors may establish branches, offices or agencies of the company anywhere inside or outside KSA subject to the applicable laws. It also may transfer the company's HQ to any other city under a resolution issued by the Extraordinary General Assembly.

Article (6) Company's Duration:

The duration of the company shall be 99 (Ninety nine) Hijri years starting from the date of the issuance of the decision of the Minister of Commerce and Industry announcing the incorporation of the company. The duration of the company may be extended by a decision issued by the extraordinary general assembly of shareholders before the end of its original term or it may be extended by at least two (2) years.



Chapter (2)

Capital and Shares

Article (7) Capital:

The capital of the company shall be SAR. 1,016,400,000 (One Billion Sixteen Million Four Hundred Thousand Saudi Riyals) divided into 101.640.000 (One Hundred and One Million Six Hundred Forty Thousand shares of equal value. The par value per share is S.R. 10 (Ten Saudi Riyals) and all of them are ordinary cash shares.

Article (8) Subscriptions:

Shareholders have subscribed to the entire share capital of the company. The full cash amounts paid from the capital was deposited with Riyadh Bank in the name of the company under incorporation.

Article (9) Preferred Shares:

The Extraordinary General Assembly of the company may, as per the rules set by the competent body, issue preferred shares or decide to buy them or convert ordinary shares to preferred shares or convert preferred shares to ordinary shares provided that this does not exceed 10% of the company's capital. The preferred shares do not give the right to vote in the Partners' General Assembly and these shares allow their owners to obtain more net profits than the owners of the regular shares after setting aside the reserve.

Article (10) Sale of Unpaid Shares:

The shareholder shall pay the value of the share on the due dates. If the shareholder fails to settle the share's value on determined date, the board of directors may, after giving the shareholder a written notice by a registered letter, sell the shares in a public auction or stock market, as the case may be, in accordance with the regulations set by the competent authority.

The company shall recover the amounts due from the sale proceed and return the rest to the share owner. If the sale proceed does not settle these amounts, the company shall settle the balance from the shareholder's other funds.

However, the default shareholder may pay the amount due plus the expenses incurred by the company in this regard.

The company shall cancel the sold share under this Article and give the buyer a new share number bearing the cancelled share number and note it in the shares' register and the name of the new owner.

Chapter (3)

Purchase, Sale and Mortgage of Shares

Article (11) Purchase of Shares by the Company:

The Company shall purchase ordinary or preferred shares under the following regulations:

1. That the purchase of shares is for the purpose of reducing the company's capital or with the aim of keeping it as treasury shares.
2. The percentage of the company's treasury shares shall not, at any time, exceed 10% of the class of shares subject of the purchase transaction.
3. The company, according to a report issued by the company's chartered accountant, shall fulfill the following financial solvency conditions:
 - (A) The company shall, prior to purchasing its shares, have a working capital sufficient for a period of twelve months immediately following the date of completing the purchase of shares.
 - (B) The value of the company's assets shall not be less than the value of its liabilities (including contingent liabilities) before and after it pays the purchase price of these shares, according to the latest audited interim/full financial statements, whichever comes first.
 - (C) The debit balance does not exceed the treasury shares, and the recorded balance of treasury shares does not exceed the balance of the retained earnings of the company.

- 1- The approval of the Extraordinary General Assembly on the purchase, specifying the maximum number of shares subject of the purchase, their purposes and the method of financing the purchase process, and authorizing the BoDs to complete the purchase in one or several phases within a maximum period of Twelve (12) months from the date of the aforementioned Extraordinary General Assembly resolution, provided that the company announces this approval and its conditions immediately after the issuance of this decision, and the Extraordinary General Assembly may not, at any time, issue a decision to change the purposes of purchasing shares.
- 2- Unless the purpose of the purchase of shares is to reduce the company's capital, the purchase of shares shall not exceed 10% of the quantity approved by the General Assembly for purchase during one trading day unless the entire

approved quantity, or the remainder of the approved quantity that was not purchased, is less than 10% of the trading volume of the company's shares on the day prior to the purchase.

- 3- The purchase price shall not exceed 5% of the market closing price on the day prior to the day the purchase is executed.
- 4- The purchase of shares does not result in a decrease in the public's ownership of the class of shares subject of the purchase to less than 30% or any other percentage of public ownership specified in the company's prospectus approved by the Capital Market Authority.
- 5- Unless the purpose of the purchase of shares is to reduce the company's capital, the purchases of shares shall take place through the market - provided that they are not through a private transaction -.
- 6- The Company may not purchase shares during the following periods:
 - A) 15 calendar days preceding the end of the fiscal quarter until the date of the company's announcement of its preliminary financial statements after examination.
 - B) 30 calendar days preceding the end of the financial year until the date of the company's announcement of its interim/annual audited financial statements.
- 7- The Company shall not have a purchase order during sale.

Article (12) Restrictions on the Purposes of the Treasury Shares:

The company may not purchase its shares to be used as treasury shares except for the following purposes:

- 1- If the Board of Directors or its authorized representative considers that the share price in the market is less than its fair value.
- 2- Fulfilling the right of convertible debt instruments holders to convert them into shares in accordance with the terms and conditions of those instruments.
- 3- Swap operations before acquiring shares or shares of a company or purchasing an asset.
- 4- To be allocated to the company's employees within the employee stock program.
- 5- Any other purpose approved by the Capital Market Authority.

Article (13) Mortgage of Company's Shares:

The company may pledge its shares as security for a debt in accordance with the following controls:

- 1- That the mortgage process is in the interest of the company and the shareholders, based on a declaration issued by the Board of Directors.
- 2- The approval of the Ordinary General Assembly on the mortgage transaction, and prior approval may be obtained for more than one transaction.
- 3- The mortgage process shall not result in a breach of the Companies Law and other relevant laws and regulations.

Article (14) Selling the Company's Shares:

The company may sell treasury shares in one stage or several stages in accordance with the following controls:

1. The approval of the Board of Directors on the sale of treasury shares, in a manner that does not conflict with the decision of the Extraordinary General Assembly that includes approval of the purchase of these shares.
2. Executing the sale of treasury shares, not exceeding 10% of the total amount of treasury shares to be sold during one trading day, unless the entire amount to be sold is less than 10% of the trading volume of the company's shares on the day prior to the sale.
3. Announcing to the public the results of the sale of treasury shares upon completion of each stage, at least half an hour before the start of the trading period for the day following the completion of the sale process for each stage.
4. The sale of treasury shares should take place through the market, provided that it is not through a private transaction. As an exception to this, it is not required that the sale of such shares take place through the market if the purpose of the treasury shares is to use them as a consideration in exchange operations in exchange for acquiring a company or purchasing an asset or fulfilling the right of convertible debt instrument holders to convert them into shares in accordance with the terms and conditions of such instruments.

5. The Company may not sell the treasury shares during the following periods:
 - A) 15 calendar days preceding the end of the fiscal quarter until the date of the company's announcement of its preliminary financial statements after examination.
 - B) 30 calendar days preceding the end of the financial year until the date of the company's announcement of its interim/annual audited financial statements.
6. The Company shall not have a purchase order during sale.

Article (15) Shares Allocated for Employees:

If the purpose of the company's purchase of its shares is to allocate them to the its employees under the employee stock programs, the company shall, in addition to other controls related to its purchase of its shares, fulfill the following conditions:

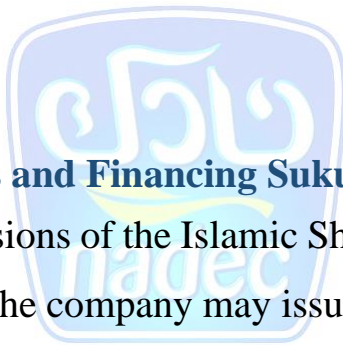
1. Obtain the approval of the Extraordinary General Assembly on the stock programs allocated to employees. The assembly may authorize the board of directors to determine the conditions of this program, including the allocation price for each share offered to the employees if it is for a fee.
2. Non-executive members of the Board of Directors shall not be included in the employee stock program, and the executive members may not vote on Board decisions related to the program.
3. Submit an application to the Securities Depository Center Company to register any restrictions regarding shares allocated to employees, in accordance with the Securities Depository Center rules.

Article (16) Issuance of Shares:

The shares shall be nominal and not issued for less than their par value, but may be issued for more than this value. In the latter case, the difference in value shall be added to the owners' equity and may not be distributed as profits. The share shall not be subject to split before the company. If several persons own the share, they must choose one of them to represent them in the use of rights associated with the share, and these persons shall be jointly liable for the obligations as a result of the share's ownership.

Article (17) Trade of Shares:

The cash shares subscribed by the founders or the incorporation shares may not be traded prior to the publication of the balance sheet and the profit and loss statement for two complete financial years, and each of them shall not be less than twelve months from the date of the company's incorporation. These sukuk shall indicate their types, date of the company's incorporation, and the period during which trading is prohibited. However, during the ban period, ownership of cash shares may be transferred in accordance with the provisions of the sale of rights from one of the founders to another founder or to a member of the board of directors to present it as a guarantee for the management or from the heirs of one of the founders, in the event of his death, to third parties.



Article (18) Debt Instruments and Financing Sukuk:

- In conformity with the provisions of the Islamic Shariah related to the issuance and trading of debt instruments, the company may issue, in accordance with the capital market law, negotiable debt instruments or financing instruments, but the company may not issue debt instruments or financing instruments convertible into shares, except after a decision is issued by the Extraordinary General Assembly stating the maximum number of shares that may be issued against such instruments or sukuk, whether such instruments or sukuk are issued at the same time, or through a series of issues, or through one or more programs to issue debt instruments or financing sukuk. The management, without the need for the approval of the extraordinary general assembly, will issue new shares in exchange for those instruments or instruments whose holders request to transfer them, immediately after the end of the transfer request period specified for the holders of those instruments or

instruments. The board of directors must declare the completion of the procedures for each capital increase in the manner specified in the Companies Law for the month of the extraordinary general assembly's decisions.

- Subject to what is set out in the above paragraph of this Article, the Company may convert debt instruments or financial instruments into shares in accordance with the capital market law. In all cases, such instruments and sukuk may only be converted into shares in the following two cases:

A) If the conditions for issuing debt and financing instruments do not include the possibility of converting such instruments and sukuk into shares by raising the company's capital.

B) If the holder of the debt instrument or the financing instrument does not agree to this conversion.

- The decisions of the shareholders' assemblies shall apply to the owners of debt instruments and financial instruments. However, the aforementioned assemblies may not amend the rights assigned to them except with an approval issued by them in their own assembly held in accordance with the provisions of Article 89 of the Companies Law.

Article (19) Register or Shareholders:

The Company's shares shall be traded in accordance with the CMA's Law.

Article (20) Capital Increase:

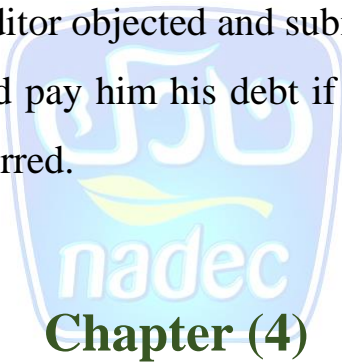
- 1- The Extraordinary General Assembly may decide to increase the capital of the company, provided that the capital has been paid in full.

- 2- It is not required that the capital has been paid in full if the unpaid part of the capital belongs to shares issued in exchange for converting debt instruments or financing instruments into shares and the period set for converting them into shares has not expired.
- 3- In all cases, the Extraordinary General Assembly may allocate all or part of the shares issued upon the capital increase, to employees of the company and its subsidiaries or some of them, or any of that. Shareholders may not exercise the right of priority when the company issues the shares allocated to employees.
- 4- The shareholder who owns the share at the time of the issuance of the extraordinary general assembly's decision approving the capital increase has priority in subscribing to the new shares issued in exchange for cash shares. and its end.
- 5- The Extraordinary General Assembly has the right to suspend the priority right of the shareholders to subscribe to the capital increase in exchange for cash shares or to give priority to non-shareholders in the cases it deems appropriate for the interest of the company.
- 6- The shareholder has the right to sell or waive the right of priority during the period from the time of the issuance of the General Assembly's decision approving the capital increase until the last day of subscribing to the new shares associated with such rights, in accordance with the regulations set by the competent authority.
- 7- Subject to what is mentioned in paragraph (4) above, the new shares shall be allocated to the priority rights holders who requested to subscribe, in proportion to their pre-emptive rights out of the total rights resulting from the capital increase, provided that what they receive does not exceed the shares they requested. The remainder of the new shares shall be distributed to the priority rights holders who have 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 what they receive does not exceed what they requested of the new shares, and the remaining shares will be distributed for others, unless the Extraordinary General Assembly or the Capital Market Law states otherwise.

Article (21) Capital Reduction:

The Extraordinary General Assembly may decide to reduce the capital if it exceeds the company's needs or if it suffers losses. Only in the latter case may the capital be reduced below the limit stipulated in Article (fifty-fourth) of the Companies Law. The reduction decision shall not be issued except after reading a special report prepared by the auditor on the reasons for it, the obligations of the company, and the impact of the reduction on such obligations.

If the reduction is resulting from an excess of the company's needs, creditors are called on to express their opposition within sixty days from the date of publishing the reduction resolution in a daily newspaper distributed in the city where the company head office is located. If a creditor objected and submitted his documents within the time limit, the company should pay him his debt if it is due or provide him with a sufficient guarantee if it is deferred.



Chapter (4)

Board of Directors

Article (22) Company's Management:

The Company shall be managed by a board of directors consisting of (7) Seven members, including the chairman, appointed by the general assembly of shareholders by using cumulative voting for a period not exceeding three years, and the company's management must complete the procedures for implementing this.

The BoDs shall appoint from among its members a Chairman and Deputy Chairman, and may appoint a Managing Director and Secretary.

The tenure of the Chairman or MD may not exceed the term of their membership in the BoDs, and they may always be reappointed.

Article (23) End of the Board Membership:

The membership of the Board shall terminate upon the expiry of its term or upon the expiry of the member's eligibility for it 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, without prejudice to the right of the dismissed members to claim the compensations from the Company if such dismissal occurred for unacceptable reasons or at inappropriate time. The member may resign at any appropriate time, otherwise, it shall be liable for the company for any resulting consequences. Likewise, the General Assembly may, upon the recommendation of the Board of Directors, terminate the membership of any of its members who are absent from three consecutive meetings without a legitimate excuse.

Article (24) Vacancy

In case of vacancy of a board member position, the board of directors may appoint temporarily a member in the vacant position and the ministry must be notified within 5 working days of the appointment, provided that this appointment is referred to the regular general meeting in its first meeting. The new member shall complete the term of his predecessor. If the number of Board members falls below the required quorum for the legitimacy of its meetings, the regular general meeting should be called to order to appoint the necessary number of members.

Article (25) Powers of the BoDs:

Notwithstanding the competences prescribed for the General Assembly, the Board of Directors shall have the fullest powers and authorities to manage the company and supervise its activities in order to achieve its objectives inside and outside the Kingdom, including but not limited to:

1- Representing the company in its relationship with others, government and private agencies, civil rights, police departments, chambers of commerce and industry, private bodies, companies and institutions of all kinds inside and outside the Kingdom of Saudi Arabia.

2- Entering into tenders and auctions, awarding bids, including but not limited to documents of sale, rent, leasing, representation, declarations, mortgage, etc., and conducting transactions on behalf of the company.

3- Approving and signing all types of contracts and documents, including but not limited to contracts, tenders, the company's governance law, the company's internal policies and regulations, and the articles of incorporation of companies in which the company participates with all its amendments, appendices, amendment decisions and all decisions of partners in those companies, including decisions Concerning increasing or decreasing capital, assigning and buying shares, documenting contracts and signing with the Companies Department at the Ministry of Commerce and Investment and the General Investment Authority, proving those contracts and decisions with the competent notary and notaries, making the necessary modifications and changes, extracting and renewing commercial records, certificates and licenses And receiving and writing them off, granting loans and guarantees to subsidiaries and guaranteeing their loans inside and outside the Kingdom of Saudi Arabia.

4- Approving and signing all agreements and instruments before notaries public and official bodies, loan agreements, guarantees and bills, issuing legal agencies on behalf of the company, selling, buying, transfer of ownership and accepting it, receiving the price in any way it sees fit, receiving, delivering, renting, leasing, receiving and paying, taking out the proofs of title and requesting the amendment of the instruments and their duration.

5- Carrying out all banking and banking operations inside and outside the Kingdom of Saudi Arabia, including, but not limited to, opening and operating

bank and investment accounts, including depositing, withdrawing and closing accounts, withdrawing and liquidating balances, issuing, disbursing and discounting checks and bonds to order and all commercial papers, and requesting the issuance of bank guarantees. Opening documentary credits on behalf of the company, and entering into financial derivative agreements of all kinds such as international swaps, hedging and all related operations in relation to all the company's business and contracts inside and outside the Kingdom of Saudi Arabia.

6- Appointing lawyers, consultants, employees and workers, dismissing them, requesting visas, recruiting manpower from outside the Kingdom, contracting with them, determining their salaries, issuing residencies, transferring and waiving guarantees.

7- Approving the company's internal, financial, administrative and technical bylaws, policies and procedures for employees, authorizing the company's executive directors to sign on its behalf in accordance with the regulations and controls set by the Board, approving the company's work and operating plans, and approving its annual budget.

8- Arranging and contracting loans with government financing funds and institutions, commercial banks, financial institutions, financing companies, export financing institutions and any other credit agencies, inside or outside the Kingdom of Saudi Arabia, regardless of their value or duration, including loans and credit facilities, and this includes negotiation, approval and conclusion of all agreements. and related documents.

9- Providing all aspects of financial support to the companies in which the company is a partner or a shareholder, including, without limitation, lending to these companies and waiving the priority of claiming such loans in favor of any other creditors, and guaranteeing all financial and contractual obligations and loans and debts of these companies.

10- Providing all kinds of guarantees, guarantees and undertakings, including, but not limited to, mortgaging and assignment of the company's assets and assets to guarantee the loans, obligations and debts of the company or companies in which the company is a partner or a shareholder. Shares owned by the company in other companies in which the company is a partner or a shareholder for any period, according to the financing requirements

11- Buying and accepting it, paying the price, receiving, delivering, leasing, mortgaging the assets, real estate, and property of the company and its subsidiaries, redeeming the mortgage, selling, emptying, collecting the price, and handing over the appraiser, provided that the minutes of the Board of Directors and the rationale for its decision include the reasons and justifications for disposing of the company's assets, property and real estate, taking into account the following conditions:

- That the council specify in the sale decision the reasons and justifications for that sale.

- That the price of the sold asset is close to the price of such assets and properties, determined in accordance with the applicable accounting principles.

The sale price must be present and not deferred, except in cases of necessity and with sufficient guarantees.

- That this does not result in the suspension of some of the company's activities or the incurring of other obligations due to the conditions of that disposition.

12- The right to absolve the company's debtors of their obligations in accordance with what is in its interest, and in accordance with the accounting standards adopted in the event of debts being executed, provided that the minutes of the Board of Directors and the rationale for its decision include the following conditions:

The release must be at least one full year after the debt was created.

The release shall be for a specified amount as a maximum per year for one debtor.

Discharge is a right of the council, which cannot be delegated.

13- To have the right to conclude conciliation, assignment, contract, commitment, association, litigation, collection of debts of the company or subsidiaries, and accept conciliation and arbitration.

14- Appointing a Managing Director and Chief Executive Officer of the company and defining his terms of reference, powers, duties and financial rights.

15- Forming committees of the Board of Directors.

16- The right to delegate or authorize one or more of its members or third parties to carry out a specific work or business or to take a specific action or behavior that falls within the limits of its competencies, and the board of directors shall have the right to cancel such authorization or proxy, in part or in full.

Article (26) Reward of the Board Members:

The remuneration of the Board of Directors consists of [a certain amount or benefits in kind] and within the limits of what is stipulated in the Companies Law or any other regulations, decisions or instructions complementing it. In addition to that, a member of the Board shall be entitled to an attendance allowance and a transportation allowance as determined by the Board of Directors, taking into account the regulations, decisions, and instructions From the competent authorities, 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, expense allowances and other benefits, as well as a statement of what the members of the Board received in their capacity as workers, 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 council sessions and the number of sessions attended by each member from the date of the last meeting of the general assembly.

In all cases, the total remunerations, financial or in-kind benefits that a member of the Board of Directors receives shall not exceed five hundred thousand riyals annually.

Article (27): Powers of the Chairman, Deputy Chairman, Managing Director and Secretary:

- The Board of Directors shall vest the powers of the Chairman, his deputy and the Managing Director and determine their remuneration in addition to the remuneration to be distributed to the members of the Board. The Board Chairman may not have any other executive position in the company.
- The board of directors also appoints a secretary to be chosen from among its members or from others, and the board determines its competencies and remunerations.
- The term of the chairman, his deputy, the managing director and the secretary of the board of directors shall not exceed the term of their membership in the board, and they may be re-elected and the board may dismiss them or any of them at any time without prejudice to the right of the dismissed members to be compensated if the dismissal occurred for an unlawful reason or at an inappropriate time.

Article (28) Board Meetings:

The Board of Directors shall convene at least twice a year by an invitation made by its chairman. However, the Chairman should call for the meeting upon the request of at least two board members.

Article (29) Quorum of the Board Meetings:

The board meeting shall not be valid unless attended by at least Four members, provided that the present directors are not less than 3. Members may authorize another board member to attend the meetings and vote on his/her behalf on the resolutions passed according to the following conditions:

A- The board member may not represent more than one member to attend this meeting.

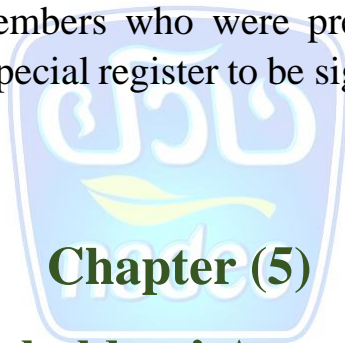
B- The proxy shall be in writing.

C- The representative may not vote on the decisions that the law prohibits the authorizer to vote on.

The board decisions shall be made by absolute majority votes of the present or represented board members in the meeting. In case of votes tie, the Chairman shall have the casting vote.

Article (30) Board Deliberations:

The board deliberations and decisions shall be recorded in minutes to be signed by the board chairman, board members who were present, and the secretary. Such minutes shall be recorded in a special register to be signed by the board chairman and secretary.



Shareholders' Assemblies

Article (31) Venue:

The validly held assembly shall represent all shareholders, and shall only be convened in Riyadh City.

Article (32) Attendance of Meetings

Each shareholder may attend the constitutional meeting, and each shareholder may attend the Shareholders General Assembly or authorize another shareholder who is not a board member or company employee to attend the General Assembly.

Article (33) Powers of the Constitutional Assembly:

1. Verify that all capital has been subscribed to and that it is fulfilled in accordance with the provisions of the Companies Law with the minimum capital and the amount due from the value of the shares.
2. Deliberation on the evaluation report of the in-kind shares.
3. Approval of the final texts of the company's articles of association, but it may not introduce fundamental amendments to it, except with the approval of the subscribers represented therein.
4. Appointing the first members of the board of directors for a period not exceeding five years if they were not appointed in the company's articles of incorporation or articles of association.
5. Appointing the company's first auditor.
6. Deliberation and approval of the founders' report on the works and expenses required for incorporation.

For the validity of its convening, the presence of a number of subscribers representing at least half of the capital is required, and each subscriber at its meetings has a vote for each share subscribed for or represented.

Article (34) Powers of the Ordinary General Assembly:

With the exception of the matters of the Extraordinary General Assembly, the Ordinary General Assembly is concerned with all matters relating to the company, and it convenes at least once a year during the six months following the end of the company's financial year. Other ordinary general assemblies may be called whenever the need arises.

Article (35) Powers of the Extraordinary General Assembly:

The Extraordinary General Assembly is concerned with amending the company's articles of association, except for matters that are prohibited by law.

It may issue resolutions on matters originally within the competences of the ordinary general assembly, under the same terms and conditions prescribed for the ordinary general assembly.

Article (36) Invitations

General or special assemblies of the shareholders shall be convened at the invitation of the Board of Directors. The Board of Directors shall invite the Ordinary General Assembly to convene if the auditor, the Audit Committee or a number of shareholders representing at least (5%) of the capital so request. The auditor may invite the assembly to convene if the board does not invite the assembly within thirty days from the date of the auditor's request.

The invitation to convene the general assembly shall be published in a daily newspaper distributed at the company's head office at least twenty one days before the date fixed for the meeting. Nevertheless, it may be sufficient to send the invitation on the aforementioned date to all shareholders by registered letters. A copy of the invitation and the agenda shall be sent to the Ministry and the Authority, within the period specified for publication.

Article (37) Attendance Register:

Shareholders who wish to attend the general or extraordinary assembly shall register their names at the company's head office before the time fixed for the assembly, and a list shall be drawn up with the names of the attending and represented shareholders

with a statement indicating the number of shares they hold in person or by proxy and the number of votes allotted to them. Each stakeholder shall have access to this statement.

Article (38) Quorum of the Ordinary General Assembly:

The meeting shall not be valid unless it is attended by shareholders representing at least $\frac{1}{4}$ of the capital. If the quorum is not fulfilled, one of the two options is selected:

1. Another meeting shall be called to order after one hour of the end of the period set for the first meeting, where invitation of the first meeting included the possibility of holding this meeting.
2. An invitation shall be made for another meeting to be held within 30 days after the previous meeting and this invitation shall be published in accordance with Article (31) thereof. In any case, the second meeting shall be valid regardless of the number of shares represented therein.

Article (39) Quorum of the Extraordinary General Meeting:

The Extraordinary General Assembly shall not be valid unless it is attended by shareholders representing at least half of the capital. If the quorum is not fulfilled, one of the two options is selected:

1. Another meeting shall be called after one hour of the end of the period set for the first meeting, where invitation of the first meeting included the possibility of holding this meeting.
2. An invitation shall be made for another meeting to be held on the same conditions as set out in Article (31) hereof. In any case, the second meeting shall be valid if its attended by shareholders representing at least $\frac{1}{4}$ of the capital.

If the necessary quorum is not reached in the second meeting, an invitation is sent to a third meeting to be held in the same conditions stipulated in Article (31) hereof, and

the third meeting will be valid regardless of the number of shares represented in it after approval of the competent authority.

Article (40) Voting in Meetings:

Each subscriber shall have one vote for each share he represents in the incorporation meeting and one vote for each share he represents in the General Meetings and the cumulative voting shall be used in the election of the board.

Article (41) Resolutions:

Resolutions of the constitutional assembly shall pass by absolute majority of votes. The decisions of the Ordinary General Assembly are issued by an absolute majority of the shares represented in the meeting, and the decisions of the Extraordinary General Assembly are issued by a two-thirds majority of the shares represented in the meeting, unless it is a decision related to increasing or decreasing the capital, extending the company's term, or dissolving it before the expiry of the period specified in this bylaw or In its merger with another company, it is not valid unless it is issued by a majority of three quarters of the shares represented in the meeting.

Article (42) Discussions in Meetings:

Each shareholder is entitled to discuss the subjects listed on the agenda of the meeting and ask related questions to the board members and to the auditor. The board members and auditor shall answer the shareholders' questions in a way that does not jeopardize the company's interest. If the shareholder thinks that the answer to his question is not convincing, he shall seek a decision from the meeting whose decision shall be in this regard finale and effective.

Article (43) Heading the meetings and minutes preparation

The General Meeting shall be presided by the board chairman or his deputy, in case of his absence, or anyone it authorizes from among the board members if the Chairman or his deputy are absent.

A register shall be prepared for the meeting, which includes the names of shareholders present or represented, number of owned shares personally or by proxy, the number of designated votes, decisions made, number of votes in favor or against them, sufficient summary of discussions in the meeting. The minutes shall be recorded regularly following each meeting in a special register signed by chairman of the meeting, the secretary, and the gatherer of votes.

Chapter (6)

Audit Committee

Article (44) Formation of the Committee:

The Ordinary General Committee shall compose an audit committee with members not less than 3 and not more than 5 not from executive members, whether shareholders or not. Such resolution shall state the tasks, charter and rewards of the committee members.

Article (45) Quorum of the Committee:

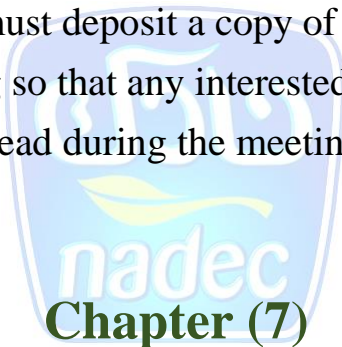
The meeting of the Audit Committee shall be valid if attended by the majority of its members and its decisions are made with the majority of votes of the present members. In case of tie votes, the side that includes the chairman of the meeting shall prevail.

Article (46) Powers of the Committee:

The Audit Committee shall be competent to supervise the company work and may review its records and documents and ask for any clarification or statement from the board members or the executive management and may ask the board to call for a general meeting if the board has disputed its work or the company is subject to damages or serious losses.

Article (47) Committee Reports:

The Audit Committee must review the financial statements, reports and observations made by the auditor and express its views, if any and prepare a report on the sufficiency of the internal control system in the company and other tasks done within its scope, and the board must deposit a copy of this report at the head office at least 21 days before the meeting so that any interested shareholder can get a copy thereof and the report shall be read during the meeting.



Chapter (7)

Auditor

Article (48) Appointment of the Auditor:

The Company shall have one auditor or more chosen among the auditors authorized to work in the Kingdom of Saudi Arabia and appointed annually by the ordinary general assembly, and shall determine his fees and awards and may reappoint him and the meeting may also stop his change at any time without prejudice to his right for compensation if the change is made for unlawful reason or at an inappropriate time. The Ordinary General Assembly may re-elect the auditor, provided that such period shall not exceed 5 consecutive years.

Article (49) Powers of the Auditor:

The Auditor may at any time review the company's books and records, and other documents, demand any clarifications and data, which he may deem necessary. He may also investigate the company's assets and liabilities and other within his scope of work, and the chairman of the board must enable him to perform his duty, and if the auditor is faced with difficulty in this regard substantiated in a report to be sent to the board of directors, and if the board does not facilitate the work of the auditor, he must ask the board of directors to call the regular general meeting to order to discuss the issue.

Chapter (8)

Fiscal Year, Dividend Distribution and Reserve

Article (50) Fiscal Year:

The Fiscal Year of the Company shall start on January 1 and end on December 31 of each Gregorian year.

Article (51) Financial Documents:

- 1- The Board shall, at the end of each fiscal year, prepare the company's financial documents and a Report on the Company's activities and financial position for the previous fiscal year, and this report include the method suggested for the distribution of net profits. The Board shall forward the said documents to the auditor at least (45) days before the set date for the general meeting to convene.
- 2- The board chairman, CEO and finance manager shall sign the said documents set out in Section (A) thereof, and copies of which shall be placed at the shareholders' disposal in the company's head office at least (21) days before the set date for the general meeting to convene.

3- The board chairman must provide the shareholders with the company's financial statements, board report, and the auditor's report if they are not published in a newspaper circulated in the head office and must send copies of these documents to the Ministry at least 15 days before the general meeting is held.

Article (52) Dividend Distribution:

The company's annual net profits are distributed after deducting all general expenses and other costs, including the zakat imposed by Sharia, as follows:

1. A percentage equal to (10%) of the net profits shall be set aside to form a statutory reserve. The Regular General Meeting may stop to do so once the said statutory reserve reaches 30% of the Company's paid capital.
2. The General Assembly Meeting may, based on a suggestion made by the Board of Directors, set aside a certain percentage of the net profits to form an agreed reserve to be allocated for the purposes determined by the Assembly.
3. The Ordinary General Meeting may decide to form other reserves for the company's interest or the distribution of fixed profits as possible and the meeting may deduct from the net profits amounts to establish social institutions for the company's staff or to assist those existing institutions.
4. The reminder shall be allocated to shareholders equal to 5% of the company's paid-up capital.
5. Without prejudice to the terms of Article (21) hereof and Article (76) of the Companies' Act, out of the balance, 10% shall be allocated to the bonus of the board, provided that the eligibility for such bonus shall be in proportion with the number of meetings attended by the member.
6. The company may distribute semi-annual and quarterly profits in accordance with the regulations issued by the competent authorities.

Article (53) Eligibility for Profits:

The shareholder shall be entitled to a share of the profits in accordance with the decision of the general assembly issued in this regard. The decision shall indicate the maturity date and the date of distribution. The eligibility of profits shall be to the owners of shares registered in the shareholders' records at the end of the day specified for entitlement.

Article (54) Distribution of Preferred Shares Dividends:

- 1- If no profit distribution is made for any fiscal year, no profit distribution shall be made for the following years except after payment of the specified percentage as per Article (104) of the Companies' Act to the owners of the preferred shares for that year.
- 2- If the company fails to pay the specified percentage as per Article (104) of the Companies' Act of profits for three consecutive years, the meeting particular to the owners of these shares held as per Article (89) of the Companies' Act may decide either their presence in the general meeting and participate in the voting or appoint their representatives in the board based on the value of their shares in the capital until the company can pay the priority profits to the owners of these shares for the previous years.

Article (55) Company's Losses:

- 1- If the Company losses reach half of the Company's paid capital at any time during the fiscal year, any manager or auditor must inform the chairman of the board of directors, who should inform the board members thereof and the board of directors must call for a special general meeting within 45 days of being aware of the losses to decide the increase or decrease of the Company's capital as per the Companies' Act to the limit with which the losses are reduced to below half of the Company's paid capital or dissolve the company before its term set out in the Companies' Act.

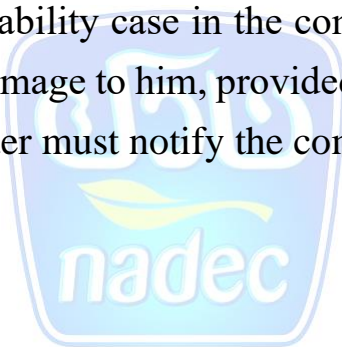
2- The company shall be deemed terminated as per the Companies' Act if the special general meeting did not convene as per Section (A) thereof or met and a decision in the subject was not issued, or if it decides to increase the capital as per the situations set out in this article and no subscription was made in all of the capital increase within 90 days of the issuance date of the meeting's decision for the increase.

Chapter (9)

Disputes

Article (56) Liability Claim:

Every shareholder may file a liability case in the company's name against the board members if their fault causes damage to him, provided that the company's right for its filing still exists. The shareholder must notify the company of his intention to file the case.



Chapter (10)

Company's Dissolution and Liquidation

Article (57) Company's Dissolution:

The company shall end upon its liquidation and retain the legal entity as required for the liquidation and the special general meeting shall decide, the optional liquidation to include the appointment of the liquidator and the restrictions on his powers and the period for the liquidation, not to exceed 5 years and not subject to extension except with a judicial order and the powers of the board end upon its

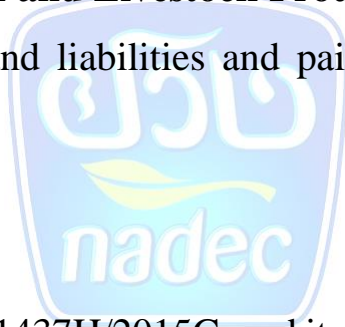
dissolution, but they remain responsible for the company's management and are deemed to others as liquidators until a liquidator is hired and the meetings shall remain open during the liquidation period and its role shall be to only perform its task without conflict with that of the liquidator.

Chapter (11)

Final Provisions

Article (58):

The National Agricultural Development Company (NADEC) had purchased the assets of **Haradh Agricultural and Livestock Production Co. Ltd.** With the book value and took all its rights and liabilities and paid the due for such assets after deducting the liabilities.



Article (59):

The Companies Law issued on 1437H/2015G, and its Implementing Regulations shall apply to anything not covered herein.

Article (60)

This Memorandum of Association shall be published in accordance with the Companies Law and its Regulations