

**Articles of Association**

**Of Al-Gassim Investment**

**Holding Company**

**A Saudi listed joint stock company**

**1441 AH\ 2020 AD**

<b>Company name</b> <b>Al-Gassim Investment</b> <b>Holding Company</b>	<b>Articles of Association</b>	<b>Ministry of Commerce and</b> <b>Investment</b>  <b>Corporate Governance Department</b>
<b>Commercial register = (1131006443)</b>	<b>Date: 15\3\2021 AD – 3\8\1442 AH</b>	<b>Al-Balawi</b>
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//Stamp of Ministry of Commerce and Investment-Riyadh\\

## Chapter one

### Incorporation of the Company

#### **Article 1: (Incorporation):**

A "Saudi Joint Stock Company" was established in accordance with the provisions of this Law, the Companies Law and its Regulations, according to the following: -

#### **Article Two: (Company name):**

Al-Gassim Investment Holding Company - (a jointly listed company).

#### **Article Three: (Purposes of the company):**

The company shall perform the following purposes:

- A. Managing its subsidiaries, or participating in managing other companies in which it shares, in addition to providing the necessary support for them.
- B. Investing its money in stocks and other securities.
- C. Owning the real estate and movables necessary to conduct its activity.
- D. Providing loans, guarantees and financing to its subsidiaries.
- E. Possessing industrial property rights such as: patents, industrial trademarks, concession rights and other intangible rights. In addition to utilizing and leasing them to its subsidiaries or others.

The company shall carry out its activities according to the followed regulations and after obtaining the necessary licenses from the competent authorities, if any.

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

The company shall participate in other companies in a percentage that enables it to control them through ownership or management. It may also establish companies on its own (with limited liability or closed shareholding).

#### **Article Five: (The head office of the company):**

The head office of the company is in the city (Buraidah) in Qassim. It is permissible by a decision of the Board of Directors to establish branches, offices or agencies for the company inside and outside the Kingdom of Saudi Arabia.

#### **Article Six: (Duration of the company):**

The duration of the company shall be (99 years) ninety nine years Gregorian calendar starting from issuing the Minister of Commerce and Investment's decision that announces its incorporation. The term of the company may always be prolonged by a decision of the extraordinary general assembly at least two years before the end of its term.

### **Chapter Two**

#### **(Capital and Shares)**

#### **Article Seven: (Capital):**

The capital of the company is (300,000.000) three hundred million Saudi riyals divided into (30,000.000) thirty million shares of equal value. The nominal value per share is (10) ten Saudi riyals. All shares are cash and equity.

#### **Article 8: (Subscription to shares):**

The founders and shareholders have subscribed to the full share capital of the company and paid their value in full.

**Article 9: (Preference Shares and Purchase of Shares):**

- A. The extraordinary general assembly of the company, according to the principles laid down by the competent authority, may issue preference shares, convert ordinary shares into preference shares, or convert preference shares into ordinary shares. Preferred shares do not give the right to vote in the general assemblies of shareholders. These shares arrange for their owners the right to obtain a percentage greater than the owners of ordinary shares from the net profits of the company after setting aside the statutory reserve.
- B. By a decision of the extraordinary general assembly, the company may purchase its ordinary and preference shares, sell them, mortgage them as a guarantee of debt, or allocate them to the company's employees within the employee share program in accordance with the controls laid down by the competent authority.

**Article 10: (Sale of unmet value shares):**

The shareholder shall be obligated to pay the value of the share on the dates specified therefor. Should it fails to pay the due date, the Board of directors, after notifying it by the legal methods followed, may sell the shares in the stock market according to the circumstances pursuant to the controls specified by the competent authority. Nevertheless, a shareholder who fails to pay until the day of the sale may pay the value owed thereon in addition to the expenses that the company has spent in this regard. The company shall collect from the sale proceeds the sums owed thereto and return the rest to the owner of the share. Where the proceeds of the sale are not sufficient to meet these amounts, the company may collect the rest from all the shareholder's funds. The company shall cancel the sold share in accordance

with the provisions of this article and the companies 'system. The company shall also give the buyer a new share bearing the number of the canceled share and register the shares of the sale, indicating the name of the new owner.

**Article 11: (Issuance of Shares):**

Shares are nominal and may not be issued at less than their nominal value, but may be issued at a higher value. In this last case, the difference in value shall be added in a separate item within the shareholders 'equity. They may not be distributed as dividends to shareholders. The share shall be indivisible vis-à-vis the company, and if the share is owned by multiple persons, then, they shall choose one of them to act on their behalf to use the rights related thereto. These persons shall be jointly responsible for the obligations arising from the ownership of the share.

**Article 12: (Shares Trading):**

The company's shares shall be traded in accordance with the provisions of the Capital Market Law. Subscribing to shares or owning them indicates the shareholder's acceptance of the company's system and its commitment to the decisions issued by the shareholders 'assemblies in accordance with the provisions of the system, whether present or absent, agrees with these decisions or violates them.

**Article 13: (Capital Increase):**

1. The extraordinary general assembly may decide to increase the capital of the company, provided that the capital has been paid in full. It is not required that the capital be paid in full if the unpaid portion of the capital is due to shares issued in exchange for converting debt instruments or financing instruments into shares and the prescribed period for converting them into shares has not expired.
2. The extraordinary general assembly in all cases may allocate the shares issued when increasing the capital or part thereof to the employees of the

company and subsidiary companies or some of them, or any of that. Shareholders may not exercise the right of priority when the company issues shares allocated to employees.

3. The shareholder, who owns the share at the time of the decision of the extraordinary general assembly to approve the increase in the capital, has priority in subscribing for new shares issued in exchange for cash shares. They shall be informed of their priority by publishing in a daily newspaper or by informing them through registered mail of the decision to increase the capital, the terms and conditions of the subscription, its start and end date.
4. The extraordinary general assembly has the right to suspend the priority right for shareholders to subscribe to an increase in capital in exchange for cash shares, or to give priority to non-shareholders in cases it deems appropriate in the interest of the company.
5. The shareholder has the right to sell or waive the pre-emption right during the period from the time of the issuance of the General Assembly's decision approving the capital increase to the last day for subscribing for new shares related to these rights, in accordance with the controls laid down by the competent authority.
6. Subject to the provisions of Paragraph (4) above, the new shares shall be distributed among the preemption rights holders who have requested the subscription, in proportion to the preemption rights they own from the total priority rights resulting from the capital increase, provided that what they obtain does not exceed what they requested of the new shares. The remainder of the new shares shall be distributed to the pre-emptive rights holders who requested more than their share, in proportion to the pre-emptive rights they own from the total pre-emptive rights resulting from the capital increase, provided that what they obtain does not exceed what they

requested of the new shares, and the rest of the shares shall be offered to others. Unless the extraordinary general assembly decides or the Capital Market Law states otherwise.

**Article 14: (Capital Reduction):**

The extraordinary general assembly may decide to reduce the capital if it exceeds the company's need or if it suffers losses. In the latter case solely, the capital may be reduced below the limit stipulated in Article 54 of the Companies Law. The reduction decision shall not be issued except after reading a special report prepared by the auditor on the reasons that necessitate it, the obligations of the company, and the impact of the reduction on these obligations.

If the capital reduction is a result of an increase in the company's need, creditors shall be called upon to express their objections thereto within sixty days from the date of publication of the reduction decision in a daily newspaper distributed in the region in which the company's head office is located. If one of the creditors objects and submits its documents to the company on the aforementioned date, the company shall pay its debt promptly or provide it with a sufficient guarantee for repayment if it is later.

**Article 15: (Debt and financial instruments):**

1. The company may issue debt instruments or negotiable financing instruments in accordance with the provisions of Islamic law and the financial market system.
2. The company may not issue debt or financing instruments convertible into shares except after issuing a decision 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 are issued at the same time or through a series of issuances or one or more programs to issue debt or financing instruments. The Board of directors shall issue - without

the need for new approval from this association - new shares in exchange for those instruments or sukuk whose holders request their conversion upon the expiry of the transfer request period specified for the holders of those instruments or sukuk. The Board shall take the necessary measures to amend the Company's Articles of Association with regard to the number of issued shares and the capital.

3. The Board of Directors shall declare the completion of the procedures for each capital increase in the manner specified in the system to announce the Extraordinary General Assembly decisions.

### **Chapter Three**

#### **Corporate Governance**

##### **Article 16: (Corporate Governance):**

The management of the company shall be undertaken by a Board of Directors composed of six members elected by the Ordinary General Assembly of shareholders for a period not exceeding three years. Members of the Board of Directors may be re-elected. Each shareholder has the right to nominate himself or one or more other persons for membership in the Board of Directors, within the limits of his ownership percentage in the capital.

##### **Article 17: (Board Membership Expiration):**

Membership of the Board of Directors ends with the expiration of its term or the expiration of the member's validity in accordance with any system or instructions in force in the Kingdom, or a ruling has been issued against him for breaching honesty and honor. The Ordinary General Assembly may, at any time, dismiss all or some of the members of the Board of Directors without prejudice to the right of



the dismissed member towards the company to claim compensation if it occurred for an unacceptable reason or at an inappropriate time. A member of the Board of directors may retire provided that this is at an appropriate time, otherwise he shall be responsible before the company for the damages resulting from his retirement. The market and the Capital Market Authority shall be notified immediately when the membership of a member of the Board of directors expires by any method of termination and indicate the reasons therefor.

#### **Article 18: (Vacant Position in the Board):**

- a) Should the position of one of the members of the Board of Directors becomes vacant, the Board may, by a decision issued thereby, appoint a temporary member in the vacant position of whom it deems appropriate, provided that he shall be experienced. The Ministry of Commerce and Investment and the Financial Market Authority shall be notified thereof within five working days from the date of appointment. Such appointment shall be presented to the Ordinary General Assembly at its first meeting to confirm the appointment. The new member shall complete the duration of his predecessor.
- b) If the necessary conditions for the meeting of the Board of Directors are not met due to the lack of its members below the minimum stipulated in the Companies Law or in this Bylaw, the remaining members shall call the Ordinary General Assembly to convene within sixty days, to elect the necessary number of members.

#### **Article 19: (Board's Powers):**

Subject to the competencies established for the general assembly, the Board of directors shall have the broadest powers in managing the company in order to achieve its objectives. They shall have the right to contract loans, regardless of their duration, and to sell or mortgage the company's assets. They also have the right to absolve the company's debtors from their obligations, provided that they shall not be a member of the Board of Directors. They shall also be entitled, within

the limits of their competence, to delegate one or more of its members or from a third party to carry out a specific work or business.

**Article 20: (Remuneration of Board Members):**

The remuneration of the Board members shall be a certain amount, an attendance allowance for the meetings, in-kind benefits, or a certain percentage of the net profits. Two or more of these benefits may be combined, provided that the remuneration shall be proportional to the number of meetings attended by the member. Should the remuneration is a certain percentage of the profits, it shall be calculated in the manner stipulated in Article 44 of this system, provided that the total of the remuneration and financial or in-kind benefits that the Board member obtains shall not exceed the sum of five hundred thousand riyals.

The report of the Board of Directors to the Ordinary General Assembly shall include a comprehensive statement of all the remuneration, expenses and other benefits that the members of the Board of Directors received during the fiscal year. The report shall also include a statement of what the members of the Board of Directors have paid as workers or administrators and what they have received in return for technical, administrative or consulting works. In addition, it should include a statement of the number of the Board's meetings and the number of meetings attended by each member from the date of the last meeting of the general assembly.

**Article 21: (Powers of the Chairman, Deputy Chairman, Managing Director and Secretary):**

The Board of directors shall appoint from among its members a chairman and a deputy chairman, and it may appoint a managing director or an executive president. It is not permissible to combine the position of the chairman of the Board of directors with any executive position in the company. The deputy chairman of the Board of directors shall replace the chairman of the Board in his absence.

The chairman shall be responsible for:

Representing the company inside and outside the Kingdom of Saudi Arabia in its relations with the third parties, government and private agencies, before all Sharia courts, all judicial bodies, the Board of Grievances, labor and worker offices, higher and primary bodies, labor, commercial, traffic and administrative courts, commercial papers committees, the Capital Market Authority, the Committee for the Resolution of Securities Disputes, the Committee Appeal in securities disputes and all other judicial committees, arbitration bodies, civil rights, police departments, chambers of commerce, industrial chambers, private and public bodies, companies and institutions of all kinds, filing and dismissing lawsuits, attending the meetings, approving, demanding, defending, pleading, litigation, clearance, conciliation, denial, exoneration, waiver, demand the oath to be taken, rejecting and abstaining from such, demanding the right of Pre-emption, acceptance and denial of judgments, requesting arbitration on behalf of the company, demanding the implementation of judgments and opposing them, receiving what is obtained from the implementation, requesting amendment of the instruments and their types, issuing deeds of ownership, sukuk in lieu of loss, signing agreements, sukuk and contracts before notaries and official authorities, issuing legal agencies on behalf the company and adding and changing mobile numbers for the cases.

Call for Board of Directors and General Assembly meetings.

Chairing and managing the Board of Directors and General Assembly meetings.

After obtaining the approval of the Board of Directors, it may sign agreements and facilities contracts with banks of various kinds, securitization and sale contracts to the portfolios of mixed leasing contracts (leasing and credit-sales) and sign loan guarantees, as well as loan agreements, guarantees, safeguards, selling and buying of properties, whether movable or immovable, emptying, accepting and collecting the price in whatever form it sees, receiving, delivering, renting, leasing, receiving, paying, opening accounts, executing securitization and selling agreements for the

leasing and mixed portfolios (leasing and credit-sales), and signing sales contracts for those portfolios and disbursing remuneration.

It also has the right to extract and renew commercial records, receive them, sign articles of association that the company establishes or is a partner therein, appendices to amend these contracts and all decisions of shareholders in those companies, including decisions on amending the management clause, changing managers, dismissing them, raising and reducing capital, assigning shares and purchasing them, documenting contracts and sign at the Companies Department of the Ministry of Commerce, the Ministry of Investment, the Capital Market Authority and the Notary Public, make amendments, changes, additions, deletions, change the names of companies, entering into tenders and auctions, awarding bids, receiving, paying and receive rights from the third parties.

It also has the right to appoint lawyers, auditors, employees, and workers, dismiss them, request visas, bring in manpower from outside the Kingdom, contracting with them, determining their salaries, extracting residency permits, transfer sponsorships and waiving them. The chairman of the Board, within the limits of his competence, may delegate or appoint one or more of its members or from the third parties. He may delegate whomever he deems appropriate to conduct a specific act or business, and to give the agents the right to delegate or appoint third parties.

The Managing Director or the CEO shall have the powers that the Board of Directors assigns thereto to carry out the day-to-day business of the company.

The Board of Directors shall appoint a secretary whom from among its members or from others, who is specialized in the following:

1. Preparing the agenda of the Board of Directors meetings.
2. Inform the members of the Board of Directors of the meeting dates and send them the agenda at least three days before the meeting.

3. Reminding the members of the Board of Directors of the dates of the periodic meetings and passing the new information and decisions to the members for their review and approval.
4. Record the discussion and decisions going on in the Board of Directors meetings and prepare the meeting minutes in coordination with the Chairman of the Board and present it to the members before approval in the next meeting.

His remuneration shall be determined by the Board of Directors. The term of the chairman, his deputy, and the managing director shall not exceed the term of each of them in the Board, and they may be re-elected. The Board may dismiss them or any of them at any time without prejudice to the right of the dismissed one to compensation if the dismissal occurred for an unlawful reason or at an inappropriate time.

**Article 22: (Board meetings):**

The Board of Directors shall meet at least twice a year at the invitation of its Chairman. The invitation shall be in writing or by e-mail and sent at least three days before the date of the meeting. Board meetings may also be held by audiovisual communication, and the chairman of the Board shall call the meeting whenever requested to do so by at least two of the members.

**Article 23: (Quorum for Board Meetings):**

A Board meeting shall not be valid unless it is attended by half of the members, provided that the number of attendees shall not be less than three on behalf. A member of the Board of directors may delegate other members to attend the meeting. Decisions are issued and shall be enforceable by the approval of the majority of the attending members or representatives in the Board. When the votes are equal, the side with which the chairman voted shall prevail.

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

The deliberations and decisions of the Board of directors shall be confirmed in minutes signed by the meeting chair, the members of the Board present and the secretary. Such minutes shall be recorded in a special register signed by the chairman and the secretary. The Board of Directors may issue its decisions on urgent matters by submitting them to the members separately, unless one of the members requests - in writing - the Board meeting to discuss them. These decisions shall be presented to the Board at its first subsequent meeting.

**Chapter IV**

**Shareholders Assemblies**

**Twenty-fifth Article: (Assembly presence)**

A- The general assembly, which duly formed, shall represent the shareholders, and shall be held only in the region of the company's headquarter-

B- Each shareholder, whatever is the number of his shares, shall be entitled to present the general assemblies. In addition, he shall have the right to assign-in writing- another one other than the board members or the employees of the company to present the same.

C- The meetings of the Shareholders general assemblies may be held, and the shareholder may participate in its deliberations and vote on its decisions by the modern technology, under the regulations set out by the competent body.

**Twenty-six Article: (Competencies of the regular general assembly)**

Except issues pertaining to the exceptional general assembly, the regular general assembly shall be responsible for all issues related to the company. It shall be held at least once during the six months following the end of the financial year of the company. If necessary, other regular general assemblies may be called to be held.

**Twenty- seventh Article: (Competencies of the exceptional general assembly)**

The exceptional general assembly shall be responsible for modify the regulation of the company except the judgments prohibited of being modified. It shall be entitled to issue decisions in the issues basically related to the competencies of the regular general assembly, under the same terms and conditions set out for the regular general assembly.

**Twenty-eighth Article: (Assemblies call)**

Shareholders general assemblies shall be held under a call from the board which shall do it under the request of the auditor, auditing committee, or number of shareholders represented by at least 5% of the capital. The auditor may call the assembly to be held if the board did not do the same during thirteen days from the date of the auditor request. The call of the meeting of the general assembly shall be published in a daily newspaper distributed in the region in which the headquarter of the company is situated in twenty first days at least before the time set out for the meeting. The call shall include the agenda, and a copy of the call and the agenda shall be sent to the Ministry of Commerce and Investment, as well as the Capital Market Authority during the period specified for publication.

**Twenty- ninth Article: (Assemblies attendance registry)**

The shareholders who wish to attend the general or special assembly shall record their names in the headquarter of the company before the time specified for the meeting. The call may include another place and mean.

**Thirteenth Article: (Quorum of the regular general assembly meeting)**

The meeting of the regular general assembly shall only be valid in case of being attended by shareholders represented by at least the quarter of the capital of the company. In case of non-achieving this quorum in the first meeting, a call for a second one held during the next thirty days following the previous meeting, shall be made. This call shall be published under the way stipulated in the article (28) of

this regulation. The second meeting may be held an hour after the end of the period specified for the convening of the first meeting, provided that the call for the first meeting shall include an indication to the possibility of convening this meeting. Generally, the second meeting shall be valid whatever are the number of the shares represented in.

**Thirty- first Article: (Quorum of the exceptional general assembly meeting)**

A- The meeting of the exceptional general assembly shall only be valid in case of being attended by shareholders represented by 50% of the capital.

B- In case of non- availability of the quorum required for the first meeting under the paragraph (A) of this article, a call for a second meeting held under the same conditions provided in the article (28) of this regulation, shall be made. The second meeting may be held an hour after the end of the period specified for the convening of the first meeting, provided that the call for the first meeting shall include an indication to the possibility of convening this meeting. Generally, the second meeting shall be valid if attended by the shareholders represented by at least 25% of the capital.

C- In case of non- availability of the quorum required in the second meeting under the paragraph (B) of this article, a call for a third meeting held according to the same conditions set out in the article (28) of this regulation, shall be made. After the approval of the competent body, the third meeting shall be valid whatever are the shares represented in.

**Thirty-second Article: (Voting in the assemblies)**

A. The votes in the regular and exceptional general assemblies shall be counted on a base of one vote to each share represented in the meeting. The accumulative voting in the board election must be used.



B- It shall not be allowed for the board members to participate in the voting on the assembly's decisions that are related to discharging their obligations of managing the company or that related to their direct or indirect interest.

**Thirty- third Article: (Assemblies decisions)**

The decisions of the regular general assembly shall be issued under the absolute majority of the shares represented, and the decisions of the exceptional general assembly shall be issued under the majority of two-thirds of the shares represented in the meeting, except that the decision is about increasing or decreasing the capital, extending the period of the company, terminating it before the end of the period provided in its regulation, or by merging the company with another company or institute. The decision shall only be valid in case of issuing under a majority of three quarters of the shares represented in the meeting.

**Thirty-fourth Article: (Discussions in the assemblies)**

Each shareholder shall be entitled to discuss the subjects listed in the agenda of the assembly and question the board members and the auditor. They shall be required to answer the questions of the shareholders in the way that does not jeopardize the company. If the share holder is not persuaded by the answer, he shall have the right to invoke the assembly whose decision shall be deemed effective in such matter.

**Thirty-fifth Article ( Assemblies heading and minutes preparing)**

The general assembly shall be headed by the chairman or who shall be assigned from the board members by the board of directors in case of the absence of the chairman. The chairman shall appoint a secretary and one or more votes collector.

A minute of the meeting shall be executed, and shall include the names of the shareholders present in person or represented, along with numbers of the shares in their possessions on their own behalf or by proxy, the number of the votes stipulated in, the decisions taken, number of votes that agreed or refused them, and a summary of the discussions that occurred during the meeting. Regularly, following each meeting, the minutes shall be recorded in a special registry signed

by the chairman of the assembly, its secretary and the votes collector. The shareholders shall be enabled to be acquainted with the minute of the meeting. Capital Market Authority shall be provided with a copy of the minute during (ten) days from the date of the meeting. The market shall be announced by the results of the general assembly once ended.

## **Fifth Chapter**

### **Auditing Committee**

#### **Thirty- sixth Article: (Committee formation)**

Auditing committee shall be formed under a decision of the regular general assembly. The members of the committee shall not be less than three or more than five members other than the executive board members either from the shareholders or not. The functions, work regulations and the rewards of the committee shall be stipulated in the decision.

#### **Thirty- seventh Article: (Quorum of the committee meeting)**

##### **Article Thirty Eight: (Committee's terms of reference)**

The audit committee shall be responsible for monitoring the company's business; for fulfilling this purpose, it has the right to review the company's records, document and to request any clarification or statement from members of the Board of Directors or the executive management, and it may request the Board of Directors to invite the company's general assembly to convene if the Board of Directors impedes its work or the company is exposed to serious damage or losses.

##### **Article Thirty Nine: (The Committee's Reports)**

The audit committee shall review the company's financial statements, reports and notes provided by the auditor, and express its views on them if any. The audit committee shall also prepare a report on its opinion regarding the adequacy of the company's internal control system and the other activities it has performed within the scope of its competence. The Board of Directors shall keep sufficient copies of this report in the company's headquarters at least **twenty-one days**

before the date of the general assembly meeting to provide each of the shareholders a copy of it. The report shall be read during the general assembly.

## **Chapter Six**

### **The Auditor**

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

The company shall have one or more auditors from among those authorized to work in the Kingdom, to be appointed by the Ordinary General Assembly on an annual basis and determines its remuneration and the period of work, and it may re-appoint the auditor, provided that the total period of its appointment shall not exceed five continuous years, those who have fulfilled this period may be re-appointed after two years from the date of its period is expiry, and the assembly may also change the auditor at any time without prejudice to its right to compensation if the change occurred at an inappropriate time or for an unlawful reason.

#### **Article forty-one: (Powers of the Auditor)**

The auditor has the right at all times to view the company's books, records and other documents, and it has the right to request the data and clarifications that it deems necessary to obtain in order to verify the company's assets, liabilities, and other things that fall within the scope of its work. The Chairman shall give it the access permission to perform its work. The auditor shall submit to the annual Ordinary General Assembly a report prepared in accordance with the generally accepted auditing standards, and the Company's management shall assure it the ability to obtain the data and clarifications requested by the auditor and what it may be consider as violate for the provisions of the Companies Act or the provisions of this articles of association, and its opinion on the extent of fairness of the financial statements of the company. The auditor shall read its report in the General Assembly. If the Assembly decides to approve the report of the Board of Directors and the financial statements without hearing the auditor's report, its decision shall be deemed void.

## **Chapter Seven**

### **Fiscal year - Accounts of the Company and Dividends**

#### **Article Forty-Two: (The Fiscal year of the Company)**

The Company's financial year is twelve months starting from the first of January and ending at the end of December of each year.

#### **Article Forty-Three: (Financial documents)**

At the end of each fiscal year, the Board of Directors shall prepare the financial statements of the Company and a report on its activities and financial position for the elapsed fiscal year, this report shall include the method that the Board proposes to distribute the net profits at least sixty days before the convening of the Ordinary General Assembly. The Board shall make these documents at the disposal of the auditor at least forty-five days before the date set for the meeting of the General Assembly. The Chairman of the Board of Directors, the CEO and the Financial Director shall sign the aforementioned documents and copies of them shall be kept in the head office of the Company at the disposal of the shareholders **at least twenty one days** before the date set for the meeting of the General Assembly. The Chairman of shall publish the financial statements of the company, the report of Board of Directors and the report of the auditor in a daily newspaper that is distributed in the region where the head office of the company is located and a copy of these documents shall be send to the Ministry of Commerce and the Financial Market Authority at least fifteen days before the date of the General Assembly.

#### **Article Forty-Four: (Dividends)**

Subject to the provisions of other relevant Acts, the annual net profits of the company shall be distributed after deducting all general expenses and other costs, including the Zakat imposed by Sharia, as follows:

- 1- 10% shall be set aside to form the statutory reserve, such deduction may cease by the ordinary general assembly if the aforementioned statutory reserve reached 30% of the company paid up capital.
- 2- From the remainder, a first payment equal to 5% of the paid up capital shall be distributed to the shareholders.
- 3- After the aforementioned, a percentage doesn't exceed 10% of the remainder shall be allocated to the remuneration of the Board of Directors, provided that the entitlement of the remuneration shall be in proportion to the number of sessions the member attends.
- 4-Then, the rest shall be distributed to the shareholders as an additional share in the profits, interim dividends may be distributed to shareholders on a semi-annual or quarterly basis according to the controls set by the competent authority.

#### **5- Article Forty-Five: (Entitlement of the Profits)**

The shareholder is entitled to its share in the profits in accordance with the decision of the General Assembly issued in this regard, and the decision specifies the date of maturity and the

date of distribution, and the eligibility of the profits is to owner of the shares registered in the shareholders 'records at the end of the day specified for maturity.

**Article Forty-Six: (Preferred Shares Dividends)**

- 1- If no profits have been distributed for any fiscal year, then it is not permissible to distribute profits for the following years except after paying the percentage determined in accordance with the provisions of Article (104th) of the Companies Act for Preferred Shares Owners for this year.
- 2- If the Company fails to pay the specified percentage in accordance with the provisions of Article (104th) of the Companies Act from profits for a period of three consecutive years, then it shall be permissible for the Private Assembly of owners of these shares, which is held in accordance with the provisions of Article (eighty-nine) of the Companies Act to decide whether they will attend meetings of the General assembly of the Company and participation in voting or appointing their representatives on the Board of Directors, as appropriate with the value of their shares in the capital, until the Company be able to pay all the allocated priority dividends for owners of these shares for previous years.

**Article Forty-Seven:**

**Losses of the Company**

If losses of the joint-stock company amount to half of the paid-up capital at any time during the fiscal year, any official in the Company or the auditor shall inform the Chairman immediately after knowing the same, and the Chairman shall inform the members of the Board of that immediately, and the Board of Directors within fifteen days after became aware of this shall call the extraordinary general assembly to meet within forty-five days from the date it became aware of the losses; to decide whether to increase or decrease the Company's capital in accordance with the provisions of the Companies Articles, to the extent that the percentage of losses decreases to less than half of the paid-up capital or to dissolve the company before the term specified in this Articles.

**Chapter Eight**  
**Disputes**

**Article Forty-Eight: (Liability Claims)**

Each shareholder has the right to file a claim for the liability established for the Company against the members of the Board of Directors if the mistake made by them would cause special harm to it, provided that the Company's right to file it is still valid, and the shareholder must notify the Company of its intention to file the claim.

**Chapter Eight**  
**Dissolution and liquidation**

**Article Forty-Nine: (Expiration of the Company)**

Upon its expiration, the Company declares the liquidation and maintains the legal personality to the extent necessary for liquidation, and the voluntary liquidation decision is issued by the Extraordinary General Assembly and shall include the Appointing the liquidator, determining his powers, fees, restrictions imposed on his powers, and the period of time required for liquidation. The voluntary liquidation period shall not exceed five years, and it shall not be extended beyond that except by a Court order, and the authority of the Company's Board of Directors shall end with its dissolution. Nevertheless, the Board shall remain in charge of managing the Company and are counted in relation to others in as of liquidators until the liquidator is appointed and the shareholders assemblies remain in place during the liquidation period. Its role is limited to exercising its competencies that do not conflict with those of the liquidator.

**Chapter Ten**  
**General provisions**

**Article Fifty:**

The Companies' Act and the Financial Market Laws and their regulations shall be applied in all matters not stipulated in this Articles of Association.

**Article Fifty One:**

This Articles shall be kept and published according to the Companies' Act

<b>Company name</b> <b>Al-Gassim Investment</b> <b>Holding Company</b>	<b>Articles of Association</b>	<b>Ministry of Commerce and</b> <b>Investment</b>  <b>Corporate Governance</b> <b>Department</b>
<b>Commercial register =</b> <b>(1131006443)</b>	<b>Date: 15\3\2021 AD – 3\8\1442 AH</b>	<b>Al-Balawi</b>
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\*A copy of the system was issued based on the decision of the Extraordinary General Assembly on 27/01/2021- 14/6/1442