

Umm Al Qura Cement Company ByLaws

CHAPTER ONE: INCORPORATION OF THE COMPANY

ARTICLE 01: INCORPORATION OF THE COMPANY:

The company was incorporated in accordance with the provisions of the Companies Law and its Implementing Regulations, and this bylaw as a Saudi joint-stock company according to the following:

ARTICLE 02: COMPANY NAME:

Umm Al Qura Cement Company (Saudi Joint-Stock Company).

ARTICLE 03: COMPANY PURPOSES:

The company shall carry out and implement the following objectives:

- 1) Manufacture of gray cement and white cement in all its types.
- 2) Manufacture of ordinary Portland cement, salt-resistant cement, pozzolanic cement, and all its types.
- 3) Manufacture of finishing cement.
- 4) Manufacture of clinker.
- 5) Management and operation of Portland cement and white cement plants.
- 6) Wholesale and retail trade in all the company's products, building materials, pozzolanic materials, and construction chemicals in all their types, including their import and export abroad.
- 7) Management, operation, and maintenance of industrial facilities complementary to the company's purpose.
- 8) Operation and exploitation of quarries and mining of raw materials for all raw materials.
- 9) Trade in raw materials resulting from mining operations.
- 10) Manufacture of ready-mix concrete and prefabricated buildings.
- 11) Generation of electricity, purchase and sale of generating equipment.
- 12) Management and leasing of owned or rented properties (**residential**).
- 13) Management and leasing of owned or rented properties (**non-residential**).
- 14) Commercial agencies.
- 15) Import and operation of radioactive devices for the company's factories.
- 16) General contracting for buildings, construction, repair, demolition, renovation, and roads.
- 17) Contracting for all types of installations, including specialized sub-contracting.
- 18) Maintenance and operation of residential, commercial buildings, and industrial facilities.
- 19) Mechanical and electrical works.
- 20) Transportation and storage of goods inside and outside the Kingdom.

In order to achieve its objectives, the company is entitled to conclude all types of contracts related to its activities. Furthermore, the company exercises its activity after obtaining the necessary regulatory licenses - if any.

ARTICLE 04: PARTICIPATION & OWNERSHIP IN COMPANIES:

The company may establish limited liability or closed joint stock companies on its own. Moreover, it may own shares and stakes in other existing companies or merge with them. Further, it is entitled to participate with others in establishing joint stock or limited liability companies after fulfilling the requirements of the systems and instructions followed in this regard. In addition, the company may dispose of these shares or stakes, provided that this does not include mediation in their trading.

ARTICLE 05: THE COMPANY'S HEADQUARTER:

The company's headquarter is located in Riyadh, and it can be transferred to any other city in the Kingdom with the approval of the Extraordinary General Assembly. Furthermore, the company may establish branches, offices, or agencies inside or outside the Kingdom by a resolution of the Board of Directors.

ARTICLE 06: COMPANY TERM:

The term of the company is unlimited and starts from the date of its registration in the commercial register.

CHAPTER TWO: COMPANY CAPITAL & SHARES

ARTICLE 07: CAPITAL:

The company's capital is set at SAR 550,000,000 (five hundred and fifty million riyals) divided into 55,000,000 (fifty-five million) shares of equal value, each with a value of SAR 10 (ten riyals), all of which are ordinary cash shares.

ARTICLE 08: SHARE SUBSCRIPTION:

The founders and shareholders subscribed to the entire capital shares amounting to 55,000,000 (fifty-five million) shares worth an amount of SAR 550,000,000 (five hundred and fifty million riyals) and paid their full value.

ARTICLE 09: PREFERRED SHARES:

According to regulations set by the relevant authority, the company's extraordinary general assembly is allowed to issue preferred shares, decide on their purchase, convert ordinary shares to preferred shares up to a maximum of ten percent of the company's capital, or switch preferred shares back to ordinary ones. Unlike ordinary shares, preferred shares do not carry voting rights in shareholder meetings. Owners of preferred shares are entitled to a greater share of the company's net profits compared to ordinary shareholders, after accounting for the statutory reserve.

ARTICLE 10: SALE OF SHARES WITH UNPAID VALUE:

The shareholder is obligated to pay the remaining value of the share on the specified dates. In addition, if he fails to pay on the specified date, the Board of Directors may, after informing him through modern technical means, sell the stock at a public auction or the financial market, as the case may be, in accordance with the controls determined by the competent authority. Moreover, the company collects from the proceeds of the sale the amounts due to it and returns the remainder to the shareholder. If the proceeds of the sale are not

sufficient to meet these amounts, the company may collect the remainder from all of the shareholder's funds. However, the shareholder who defaults in payment until the day of sale may pay the value due from him in addition to the expenses spent by the company in this regard. The company cancels the sold share in accordance with the provisions of this Article, gives the buyer a new share bearing the number of the canceled share, and marks in the share registry the occurrence of the sale, indicating the name of the new owner.

ARTICLE 11: ISSUANCE OF SHARES:

Shares shall be registered and may not be issued for less than their nominal value. However, they may be issued for more than this value, in which case the difference in value shall be added to a separate item within shareholders' equity. This difference may not be distributed as dividends to shareholders. A share is not divisible in relation to the company. If a share is owned by multiple persons, they must choose one of them to represent them in exercising the rights related to it. These persons shall be jointly and severally liable for the obligations arising from the ownership of the share.

ARTICLE 12: TRADING OF SHARES:

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

ARTICLE 13: Record of Shareholders:

The shares of company are traded in accordance with the provisions of the financial market regulation.

ARTICLE 14: CAPITAL INCREASE:

- 1- The Extraordinary General Assembly may decide to increase the company's issued or authorized capital - if any - provided that the issued capital has been fully paid. It is not required that the capital be fully paid if the unpaid portion thereof is due to shares issued in exchange for the conversion of debt instruments or financial certificates into shares and the period prescribed for their conversion has not yet expired.
- 2- In all cases, the Extraordinary General Assembly may allocate the shares issued upon a capital increase or a portion thereof to the employees of the company and its subsidiaries or some of them. Shareholders shall not have the right of preemption when the company issues shares allocated to employees. The competent authority may set controls and procedures for the allocation of shares to employees of the company or its subsidiaries or some of them, or any of the foregoing.
- 3- The shareholder who owns the share at the time of the issuance of the Extraordinary General Assembly's resolution approving the capital increase or the Board of Directors' resolution approving the increase within the limits of the authorized capital shall have the priority to subscribe to the new shares issued for cash consideration. These shareholders shall be notified of their priority by announcement through modern technological means of the decision to increase the capital, the terms and conditions of the subscription, and the start and end dates thereof, taking into account the type and class of the share they own.
- 4- The Extraordinary General Assembly may suspend the right of preemption of shareholders to subscribe to a capital increase for cash consideration or grant the right of preemption to non-shareholders in cases that

it deems to be in the best interest of the company.

5- The shareholder may sell or waive the right of preemption for a financial consideration or without consideration in accordance with the controls set by the competent authority.

6- Taking into account what was stated in Paragraph (4) above, the new shares will be distributed to priority rights holders who requested to subscribe in proportion to the priority rights they own out of the total of these rights resulting from the capital increase; This is on the condition that what they get does not exceed what they requested in terms of new shares and taking into account the type and class of shares they own. In addition, the remainder of the new shares shall be distributed to rights holders who requested more than their share in proportion to the priority rights they own out of the total priority rights resulting from the capital increase. This is on the condition that what they get does not exceed what they requested in terms of new shares, and the remaining shares are offered to others, unless the extraordinary general assembly decides, or the financial market system stipulates otherwise.

ARTICLE 15: CAPITAL DECREASE:

The Unordinary General Assembly shall decide to reduce the capital if it exceeds the company's needs or if it results in losses. In the last case, the capital shall be reduced below the limit stipulated in Article (fifty-fourth) of the Companies Law. The reduction decision shall not be issued except after a special report prepared by the auditor on the reasons for it, the obligations of the company, and the effect of the reduction in these obligations. If the capital reduction is the result of an increase in the company's need. The creditors shall be invited to express their objections to it within 60 days of the date of publishing the reduction decision in a daily newspaper distributed in the area in which the company's headquarters is located. If one of the creditors objects and submits his documents to the company on the aforementioned date. The company shall pay him his debt if it is immediate or provide him with a sufficient guarantee to pay it if it is deferred.

CHAPTER THREE: BOARD OF DIRECTORS

ARTICLE 16: MANAGEMENT OF THE COMPANY:

The company shall be managed by a Board of Directors composed of six natural persons elected by the Ordinary General Assembly of Shareholders using the cumulative voting system. The term of the Board of Directors shall not exceed three years, and members may be re-elected. Any shareholder may nominate themselves, another person, or multiple shareholders or non-shareholders for membership on the Board of Directors.

ARTICLE 17: TERMINATION OF BOARD MEMBERSHIP

Board membership shall terminate at the end of the Board's term, upon the expiration of a member's eligibility in accordance with any applicable bylaws or regulations in the Kingdom, or upon termination by the Board. The Ordinary General Assembly may, at any time, dismiss all or some of the members of the Board of Directors. In such cases, the Ordinary General Assembly shall elect a new Board of Directors or a replacement for the dismissed member - as the case may be - in accordance with the provisions of the Companies Law and its implementing regulations. The General Assembly may also, upon the recommendation of the Board of Directors, terminate the membership of any member who has been absent

from three consecutive meetings or five separate meetings of the Board during their membership without a legitimate excuse accepted by the Board.

ARTICLE 18: VACANT BOARD POSITION:

If a seat on the Board of Directors becomes vacant due to the death or resignation of a member, and this vacancy does not result in a violation of the conditions necessary for the valid convening of the Board due to the number of members falling below the minimum specified in the Companies Law or this bylaws, the Board may appoint a temporary member to the vacant seat. The temporary member must have the necessary experience and competence. The Commercial Register and the Authority must be notified of the appointment within fifteen days of the date of the appointment. The appointment must also be presented to the Ordinary General Assembly at its first meeting. The new member shall complete the term of his predecessor. If the conditions necessary for the valid convening of the Board of Directors are not met due to the number of members falling below the minimum specified in the Companies Law or this bylaws, the remaining members must call the Ordinary General Assembly to meet within sixty days to elect the required number of members.

ARTICLE 19: POWERS OF THE BOARD

A. Notwithstanding the powers vested in the General Assembly, the Board of Directors shall have the broadest powers to manage the company in a way that achieves its objectives and conducts its affairs inside and outside the Kingdom. The Board shall supervise all of the company's activities, assets, and transactions. In addition, the Board shall have the power to:

- Sign on behalf of the company and represent it in its dealings with others, including government and private entities, civil rights, police departments, chambers of commerce and industry, private bodies, companies, and institutions of all kinds.
- Enter into tenders, collect and pay, acknowledge, and collect what is obtained from execution.
- Sign all types of contracts, documents, and papers, including, but not limited to, company incorporation contracts, all their amendments and annexes, and amendment decisions.
- Sign agreements and legal instruments on behalf of the company.
- Buy, sell, discharge, accept, receive, deliver, lease, rent, collect, pay, open accounts and credits, withdraw and deposit with banks, issue bank guarantees, and sign all papers, documents, checks, and all banking transactions.
- Appoint and dismiss employees and workers, request visas, bring in labor from outside the Kingdom, contract with them, determine their salaries, obtain residencies, transfer sponsorships, and waive them.
- Dispose of the company's assets, properties, and real estate. The Board has the right to purchase, accept, pay the price, mortgage, redeem the mortgage, sell, discharge, collect the price, and deliver the consideration. The minutes of the Board of Directors and the background of its decision to dispose of the company's assets, properties, and real estate must include consideration of the following conditions:
 - 1- The Board of Directors shall specify the reasons and justifications for the sale in its decision.
 - 2- The sale must be close to the market value.

- 3- The sale must be in cash, except in cases of necessity and with sufficient guarantees.
- 4- The sale must not result in the suspension of some of the company's activities or burden it with other obligations.

The Board of Directors may also:

- Contract loans with government funds and financing institutions, including the Saudi Industrial Development Fund, regardless of their duration.
- Contract commercial loans from banks and lending funds that do not exceed the end of the company's term, subject to the following conditions for contracting loans that exceed three years:
 - 1- The Board of Directors shall specify in its decision the uses of the loan and how it will be repaid.
 - 2- The terms of the loan and the guarantees provided for it must be considered so as not to harm the company, its shareholders, and the general guarantees of creditors.
- Settle, waive, contract, obligate, and bind in the name of the company and on its behalf.
- Carry out all works and actions that are likely to achieve the company's objectives.

B. In cases that it deems appropriate, the Board of Directors shall have the right to:

- Release the company's debtors from their obligations in accordance with what achieves its best interests. The minutes of the Board of Directors and the background of its decision must include consideration of the following conditions:
 - 1- The release must be after at least one full year from the date of the debt.
 - 2- The amount released must be specified as a maximum per year for each debtor.
 - 3- The release is a right of the Board that may not be delegated.

Within its jurisdiction, the Board may also delegate one or more of its members or others to carry out a specific work or works.

ARTICLE 20: BOARD MEMBER REMUNERATION:

The reward of a member of the Board, if any, consists of as estimated by the Ordinary General Assembly, by the official decisions and instructions issued in this regard and within the limits stipulated in the Companies Law and its regulations. The report of the Board of Directors during the fiscal year must include rewards, expense allowances, and other benefits; it must also include a statement of the number of Board sessions and the number of sessions attended by each member from the date of the last meeting of the General Assembly.

Article 21: Powers of the Chairman, Vice Chairman, Managing Director, and Secretary

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

The Chairman of the Board is responsible for representing the company in its relations with others, before the courts, government authorities, the notary public, and the courts; Dispute settlement committees of all kinds, and arbitration authorities; civil rights; police departments; Chambers of Commerce and industry; private authorities; Government funds, including the Saudi Industrial Development Fund, companies and

establishments of all kinds, and the issuance of legitimate agencies. He has the right to appoint and dismiss an attorney, plead, litigation, conciliation, acknowledgment, and arbitration; Accept and object to the judgments, request an oath, accept it and return it on behalf of the company. He has the right to sign all types of contracts and documents, including but not limited to the memorandum of association of companies in which the company participates with all their amendments and appendices, to sign agreements, deeds, and releases before the notary public and official bodies, and to sign loan agreements of all kinds, guarantees, and mortgages. He has the right to collect the company's rights, pay its obligations, sell, buy, empty, and accept it; receive and deliver, rent, lease, and pay. He has the right to enter tenders, open bank accounts, and credits, withdraw and deposit with banks, and issue bonds and checks. He has the right to appoint and contract employees. determine their salaries; dismiss them from service; request visas and bring in employees and workers from abroad; issue the residency permits and work permits, transfer, and waiver of sponsorships. He may authorize and delegate a third party within the limits of his competence to take a specific action or behavior or perform a specific action or actions and cancel the authorization or power of attorney in part or in whole. The vice-chairman of the Board shall act on behalf of the president in his absence in the exercise of his powers.

The Managing Director is responsible for the powers delegated to him by the Board of Directors, and the Board of Directors determines their remuneration in addition to the remuneration of the members of the Board. The board of directors appoints a secretary to be chosen by it from among its member or from others, and he is responsible for writing the minutes of the board of directors and supervising the implementation of its decisions, and the board of directors determines his remuneration. The term of the chairman of the board, his deputy, the managing director, and the secretary of the board of directors shall not exceed the term of their membership in the board. They may be re-elected, and the Board at any time may dismiss them or any of them without prejudice to the right of those rejected for compensation if the dismissal occurred for an unlawful reason or at a wrong time.

ARTICLE 22: BOARD MEETINGS:

The Board of Directors shall meet upon the invitation of its Chairman whenever the interests of the company so require or when necessary, but the meetings held by the Board during the year shall not be less than four meetings. The invitation must include the agenda and its documents. The Chairman must call the Board to meet when requested in writing by any member of the Board to discuss any matter or more. The invitation may be delivered using modern technology or any other means that the Board deems appropriate. The Board of Directors shall determine the place of its meetings, and they may be held using modern technology. The Board may invite anyone it deems necessary to attend its meetings.

ARTICLE 23: QUORUM FOR BOARD MEETINGS:

A Board meeting shall not be valid unless at least half of the members are present (in person). A Board member may delegate another member to attend Board meetings on his behalf in accordance with the following rules:

- A Board member may not delegate more than one member to attend that meeting.
- The delegation must be in writing and for a specific meeting.
- The delegate may not vote on decisions that the bylaw prohibits the principal from voting on.

The decisions of the Board shall be issued by a majority vote of the members present or represented therein, at least. In the event of a tie, the side with which the Chairman of the meeting voted shall prevail. The decisions of the Board of Directors shall take effect from the date of their issuance, unless they specify a different time of entry into force or upon the fulfillment of certain conditions.

ARTICLE 24: ISSUING DECISIONS IN URGENT MATTERS:

The Board of Directors may issue decisions by circulation by presenting them to all members individually, unless one of the members requests in writing a meeting of the Board to discuss them. Such decisions shall be issued with the approval of the majority of the votes of its members, and these decisions shall be presented to the Board of Directors at its first subsequent meeting for confirmation.

ARTICLE 25: BOARD DELIBERATIONS:

The deliberations and decisions of the Board of Directors shall be recorded in minutes prepared by the Secretary and signed by the Chairman of the Board, the members of the Board of Directors present, and the Secretary. These minutes shall be recorded in a special register signed by the Chairman of the Board and the Secretary. Modern technology may be used to sign, verify deliberations and decisions, and record minutes.

CHAPTER FOUR: SHAREHOLDERS' ASSEMBLIES

ARTICLE 26: ATTENDANCE AT ASSEMBLIES:

- 1- Each shareholder has the right to attend the General Assembly of Shareholders and may delegate another person, other than a member of the Board of Directors, to attend on his behalf in accordance with the relevant regulations and rules.
- 2- The Board of Directors shall determine the place of the General Assembly meetings and they may be held and voted on using modern technology.

ARTICLE 27: POWERS OF THE ORDINARY GENERAL ASSEMBLY:

Except for matters reserved for the Extraordinary General Assembly, the Ordinary General Assembly shall have jurisdiction over all matters related to the company, and in particular the following:

- 1- Electing and dismissing members of the Board of Directors.
- 2- Appointing one or more auditors for the company, in accordance with the requirements of the bylaws, determining their fees, reappointing them, and dismissing them.
- 3- Reviewing and discussing the Board of Directors' report.
- 4- Reviewing and discussing the company's financial statements.
- 5- Discussing the auditor's report and making a decision on it.
- 6- Deciding on the Board of Directors' proposals on the method of distributing profits.
- 7- Forming the company's reserves and determining their uses.

It shall meet at least once a year during the six months following the end of the company's financial year. Other ordinary general meetings may be called whenever necessary.

ARTICLE 28: POWERS OF THE EXTRAORDINARY GENERAL ASSEMBLY:

The Extraordinary General Assembly shall have jurisdiction over the following:

1- Amending the company's bylaws, except for the following:

a. Depriving a shareholder or amending any of his fundamental rights that he derives from his capacity as a shareholder, taking into account the nature of the rights related to the type or class of shares owned by the shareholder, and in particular the following:

- 1) Obtaining a share of the profits that are decided to be distributed, whether in cash or through the issuance of free shares to non-employees of the company and its subsidiaries.
- 2) Obtaining a share of the company's net assets upon liquidation.
- 3) Attending general or special shareholders' meetings, participating in their deliberations, and voting on their decisions.
- 4) Disposing of his shares except in accordance with the provisions of the bylaw.
- 5) Requesting to review the company's records and documents, monitor the work of the Board of Directors, file a liability lawsuit against the members of the board, and challenge the invalidity of the decisions of the general and special shareholders' meetings.

b. Amendments that are likely to increase the financial burdens on shareholders, unless all shareholders agree.

2- Reporting on the continuation and dissolution of the company.

3- Approving the company's purchase of its shares.

It may issue decisions on matters originally within the jurisdiction of the Ordinary General Assembly under the same conditions and terms prescribed for the Ordinary General Assembly.

ARTICLE 29: INVITATION OF ASSEMBLIES:

General or special assemblies of shareholders shall be convened by the Board of Directors in accordance with the conditions set forth in this bylaws, the Companies Law, and the related regulations. The Board of Directors shall call the Ordinary General Assembly to meet within thirty days from the date of the request of the auditor, the audit committee, or one or more shareholders representing at least 10% of the company's shares with voting rights. The auditor may call the meeting if the board does not call the meeting within thirty days from the date of the auditor's request.

The notice of convening the general meeting shall be published through modern technology advertisements and in accordance with Article 91 of the Companies Law and the rules determined by the competent authority at least twenty-one days before the date scheduled for the meeting.

ARTICLE 30: QUORUM REQUIRED FOR HOLDING A MEETING OF THE ORDINARY GENERAL ASSEMBLY:

1- A meeting of the Ordinary General Assembly shall not be valid unless it is attended by shareholders representing at least one-quarter of the company's shares with voting rights.

2- If the quorum required to hold a meeting of the Ordinary General Assembly is not available according to paragraph (1) of this article, the invitation shall be directed to a second meeting held under the same conditions set forth in Article 91 of the Companies Law within thirty days following the date set for the meeting. However, the second meeting may be held one hour after the end of the time specified for the first

meeting, provided that the invitation to hold the first meeting includes an indication of the holding of a second meeting, and this invitation shall be published in the manner specified in Article 28 of this bylaws. In all cases, the second meeting shall be valid regardless of the number of shares represented therein.

ARTICLE 31: QUORUM REQUIRED FOR HOLDING A MEETING OF THE EXTRAORDINARY GENERAL ASSEMBLY:

- 1- A meeting of the Extraordinary General Assembly shall not be valid unless it is attended by shareholders representing at least half of the company's shares with voting rights.
- 2- If the quorum required to hold a meeting of the Extraordinary General Assembly is not available according to paragraph (1) of this article, the invitation shall be directed to a second meeting held under the same conditions set forth in Article 91 of the Companies Law. However, the second meeting may be held one hour after the end of the time specified for the first meeting, on condition that the invitation to hold the first meeting includes an indication of the possibility of holding a second meeting. In all cases, the second meeting shall be valid if it is attended by a number of shareholders representing at least one-quarter of the company's shares with voting rights.
- 3- If the quorum required is not available in the second meeting, an invitation shall be issued for a third meeting to be held under the same conditions set forth in Article 91 of the Companies Law. The third meeting shall be valid regardless of the number of shares with voting rights represented therein.

ARTICLE 32: VOTING IN ASSEMBLIES:

- 1- Each shareholder shall have one vote for each share in the general meetings, and cumulative voting must be used in the election of members of the Board of Directors.
- 2- Members of the Board of Directors may not participate in voting on decisions of the Assembly related to works and contracts in which they have an interest, whether direct or indirect, which constitutes a conflict of interest.

ARTICLE 33: DECISIONS OF THE ASSEMBLY:

- 1- Decisions of the Ordinary General Assembly shall be issued by a majority vote of the voting rights represented at the meeting.
- 2- Decisions of the Extraordinary General Assembly shall be issued by a two-thirds majority vote of the voting rights represented at the meeting; unless the decision is related to increasing or decreasing the capital, extending the duration of the company, dissolving it before the expiry of the period specified in its bylaws, merging it with another company, or dividing it into two or more companies, in which case it shall not be valid unless it is issued by a three-quarters majority vote of the voting rights represented at the meeting.

ARTICLE 34: DISCUSSION IN ASSEMBLIES:

Each shareholder has the right to discuss the topics included in the agenda of the meeting and to direct questions about them to the members of the Board of Directors and the auditors. The Board of Directors or the auditors shall answer the shareholders' questions to the extent that does not harm the interests of the company. If a shareholder finds that the answer to his question is not convincing, he may appeal to the Assembly, and its decision in this regard shall be final.

ARTICLE 35: LEADERSHIP OF ASSEMBLIES AND PREPARATION OF MINUTES:

The General Meetings of Shareholders shall be chaired by the Chairman of the Board of Directors or his Vice-Chairman in his absence, or by a person delegated by the Board of Directors from among its members for this purpose in the event of the absence of the Chairman of the Board and his Vice-Chairman. A minute shall be prepared at the meeting of the Assembly, including the number of shareholders present or represented by the number of shares in their possession, whether in person or by proxy, the number of votes assigned to them, the decisions taken, the number of votes that approved or opposed them, and a comprehensive summary of the discussions that took place at the meeting. The minutes shall be recorded regularly after each meeting in a special register signed by the Chairman of the Assembly, its Secretary, and the Collector of Votes.

CHAPTER FIVE: AUDITORS

ARTICLE 36: APPOINTMENT OF AUDITORS:

The company must have one or more auditors from among the auditors licensed to work in the Kingdom appointed by the Ordinary General Assembly annually, and their remuneration and term of office shall be determined. The Assembly may reappoint and dismiss them in accordance with the provisions of the bylaws.

ARTICLE 37: POWERS OF AUDITORS:

The auditors shall have the right at any time to review the company's documents, accounting records, supporting documents, and other documents. They shall also have the right to request the data and explanations that they deem necessary to obtain in order to verify the company's assets, liabilities, and other matters within the scope of their work. The Board of Directors shall enable them to perform their duties. If the auditors encounter any difficulty in this regard, they shall record this in a report submitted to the Board of Directors. If the Board does not facilitate the work of the auditors, they must request the Board of Directors to call the Ordinary General Assembly to consider the matter. The auditors may issue this invitation if the manager or the Board of Directors does not issue it within thirty days from the date of the auditors' request.

CHAPTER SIX: COMPANY ACCOUNTS & PROFIT DISTRIBUTION

ARTICLE 38: FISCAL YEAR:

The company's financial year shall begin on January 01, and end on the last day of December of each year, on condition that the first year shall begin from the date of the ministerial decision issued approving the announcement of the establishment and end on December 31st of the following Gregorian year.

ARTICLE 39: FINANCIAL DOCUMENTS:

1- At the end of each financial year of the company, the Board of Directors shall prepare the company's financial statements and a report on its activity and financial position for the past financial year. This report shall include the proposed method of distributing profits, and the Board shall place these documents at the disposal of the auditors at least forty-five days before the scheduled date of the General Assembly.

2- The documents referred to in paragraph (1) of this article shall be signed by the Chairman of the Board of Directors, the CEO, and the CFO, and copies thereof shall be deposited at the company's head office at the disposal of the shareholders.

3- The Chairman of the Board of Directors shall provide the shareholders with the company's financial statements, the Board of Directors' report, and the auditor's report, if any, using any modern technology means at least twenty-one days before the scheduled date of the General Assembly. He shall also deposit and disclose these documents in accordance with the relevant regulations and rules.

ARTICLE 40: FORMATION AND USE OF RESERVES:

1- The Ordinary General Assembly may decide to form reserves allocated for purposes determined by the Assembly, to the extent that achieves the interests of the company or ensures the distribution of fixed profits as much as possible to the shareholders. The Assembly may deduct from the net profits amounts to achieve the company's social purposes.

2- The reserve allocated for specific purposes may not be used except by a decision of the Extraordinary General Assembly. If this reserve is not allocated for a specific purpose, the Ordinary General Assembly may - upon the proposal of the Board of Directors - decide to spend it in a way that benefits the company or the shareholders. The competent authority may set rules for the use of reserves.

ARTICLE 41: PROFIT DISTRIBUTION:

The company's annual net profits shall be distributed as follows:

1- The General Assembly shall determine the percentage of net profits to be distributed to shareholders after deducting reserves, if any.

2- After fulfilling the rules issued by the competent authorities, the company may distribute profits to its shareholders annually, semi-annually, or quarterly based on the recommendation of the Board of Directors.

3- Profits shall be distributed to shareholders by authorizing the Ordinary General Assembly to distribute interim dividends, which shall be renewed annually.

ARTICLE 42: ENTITLEMENT TO PROFITS:

A shareholder shall be entitled to his share of the profits according to the decision of the General Assembly issued in this regard. The decision shall specify the due date and the distribution date, and the entitlement to the profits shall be for the owners of the shares registered in the shareholders' records at the end of the day specified for the entitlement.

ARTICLE 43: COMPANY LOSS:

If the losses of a joint stock company reach half of the issued capital, the Board of Directors shall disclose this and its recommendations regarding these losses within sixty days from the date of its knowledge of reaching this amount. In addition to calling the Extraordinary General Assembly to meet within one hundred and eighty days from the date of knowledge thereof to consider the continuation of the company with taking any necessary measures to address these losses or dissolve it.

CHAPTER SEVEN: DISPUTES

ARTICLE 44: LIABILITY LAWSUIT

1- The company may file a liability lawsuit against the members of the Board of Directors due to their violation of the provisions of the bylaws, the company's articles of association, or its bylaws, or due to errors, negligence, or failure to perform their work, which results in damages to the company. The General Assembly decides to file this lawsuit and appoint someone to represent the company in pursuing it. If the company is in liquidation, the liquidator shall file the lawsuit. In the event of any liquidation procedures being opened against the company according to the Bankruptcy Law, the lawsuit shall be filed by those who represent it according to the bylaws.

2- One or more shareholders representing 5% of the company's capital may file a liability lawsuit assigned to the company if the company does not file it, taking into account that the main purpose of filing the lawsuit is to achieve the interests of the company. And that the lawsuit is based on a sound basis, and that the plaintiff is in good faith, and a partner or shareholder in the company at the time of filing the lawsuit.

3- To file the lawsuit referred to in paragraph (2) of this article, it is required to notify the company's manager or members of its Board of Directors - as the case may be - of the intention to file the lawsuit at least 14 days before the date of filing it.

4- A shareholder may file his personal lawsuit against the manager or members of the Board of Directors if the error they made is likely to cause him specific harm.

CHAPTER EIGHT: DISSOLUTION & LIQUIDATION OF THE COMPANY

ARTICLE 45: EXPIRATION OF THE COMPANY:

The company shall expire for one of the reasons for expiry mentioned in Article (243) of the Companies Law, and upon its expiry, it shall enter the liquidation stage according to the provisions of Chapter Twelve of the Companies Law. If the company expires and its assets are not sufficient to pay its debts or it is in default according to the Bankruptcy Law, it must apply to the competent judicial authority to open any of the liquidation procedures under the Bankruptcy Law.

CHAPTER NINE: GENERAL PROVISIONS

ARTICLE 46: GENERAL PROVISIONS:

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

2- The Companies Law and its regulations shall apply in everything not provided for in this bylaws. If there is an article in this bylaws contradicts the provisions of the Companies Law, it shall not be considered, and the provisions of the Companies Law shall prevail.

Approved by the General Assembly on: 29/04/2024G.

