



CERTIFIED TRANSLATION

ترجمة معتمدة

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CERTIFICATION

شهادة

Dr. Taha Al-Edresi Certified-Translation Office in Jeddah, Kingdom of Saudi Arabia hereby does certify that the attached Documents/s is/are a true and Complete Translation for the original Text without any responsibility for the contents thereof.

بهذا يشهد مكتب د. طه محمد الحسن الإدرسي للترجمة المعتمدة بجدة، المملكة العربية السعودية أن الوثيقة / الوثائق المرفقة هنا هي ترجمة صحيحة وكاملة للنص الأصلي- المرفق صورة منه مع الترجمة- دون أدنى مسؤولية عن محتوياتها.

Dr. Taha Mohammed Al-Edreesi

د. طه محمد الإدرسي

المدير العام



Bylaws

of Al Yamamah Steel Industries Company

Saudi Joint Stock Company (Listed)

The Company's name	Bylaws	Ministry of Commerce and Investment
Al Yamamah Steel Industries Company Saudi Joint Stock Company (Listed) Commercial Register: (1010070794)	Date: 02/01/1443 H – 10/08/2021 AD	Corporate Governance department Faisal Al-Balawi

- These bylaws were Published based on the decisions of the Extraordinary General Assembly which was held on August 1, 2021.



Section (1): Incorporation of the Company:

Article (1): Incorporation:

Incorporated in accordance with the provisions of Companies' Law, its regulation and this Bylaws, Saudi joint stock company listed in accordance with the following:

Article (2): Company Name:

The company name is "Al Yamamah Steel Industries Company" Saudi joint-stock company (listed).

Article (3): Company's Purposes:

In accordance with the industrial licenses and its amendments issued from the competent authorities, the company practices and executes the following objectives:

- 1- Production of (black / galvanized) steel pipes welded vertically, decorated steel pipes for décor, steel sheets cutting, gauging and interlinking straps and clips, road blocks, reinforcement steel bars from scrap, manual carts, various ribbed steel sheets, hollow steel sections, cold formed steel section, stereoscopic frames.
- 2- Production of galvanized lighting poles and its accessories.
- 3- Production of power transmission towers.
- 4- Production of solar power systems.
- 5- Production of wind power systems.
- 6- The company may practice any activities complementary to the above licensed activities or any other different activities under licenses issued from the competent authorities.

The company may execute and achieve its objectives inside and outside the Kingdom, including free zones inside and outside the Kingdom, after obtaining the required licenses from the competent authorities.

Article (4): Partnership:

The company may – in case its capital is not less than five Million Riyals – solely establish limited liability companies or closed stock companies. It also may own stocks and shares in other existing companies or merge with, and it also has the right to participate with a third party in establishing joint stock or limited liability companies and that after fulfilling all requirements of laws and instructions followed in this regard. The company may also dispose these stocks and shares, whereas that shall not include brokerage in their trading process.

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Article (5): Head Quarter:

The company shall have a head quarter located in Riyadh and the company Board of Directors may establish branches, agencies or offices inside or outside the Kingdom of Saudi Arabia.

Article (6): Company Term:

The company term is ninety-nine calendar years, starts from the issue date of the decision of Ministry of Commerce, announcing the conversion of the company and the company term may be extended through a decision issued by the Extraordinary General Assembly before its expiry with at least one year.

Section (2): Capital and Shares

Article (7): Company Capital:

The company capital was specified with the amount of (508,000,000) five hundred eight million Saudi Riyals, divided into (50,800,000) fifty million eight hundred thousand shares equal in value, the par value of each share amounts to (10) ten Saudi Riyals, all of which are in-kind and cash shares and the shareholders fully paid its value.

Article (8): Subscription:

The founders subscribed in all shares of the company, amounted (50,800,000) fifty Million eight hundred thousand shares and they fully paid its value in-kind and cash, (200,000,000) two hundred Million therefrom were paid upon the conversion of the company into joint stock company, (100,000,000) one hundred Million Riyals was transferred from retained earnings and reserves as it is in the Company's financial position as of (30/06/2007) of the fiscal year ending in (30/09/2007), (100,000,000) one hundred Million Saudi Riyal was transferred from retained earnings and reserves as it is in the company's financial position as of (30/06/2008) of the fiscal year ending in (30/09/2008), and (108,000,000) one hundred and eight Million Saudi Riyal represents the transference of full loan without interest, which the shareholders previously provided the company with in order to support its financial positions, as in the company financial position as of 30/06/2009.

Article (9): Selling Unpaid Shares:

The shareholder is obligated to pay the stock value on dates set therefor and if he fails to pay on due date, the Board of Directors may – after notifying him via a registered letter

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on his address stated in shareholders' register, sell the shares in a public auction or Stock Exchange, based on the circumstances in accordance with the controls set forth by the competent authority.

The company fulfils from the sale operation all amounts entitled to it and return the remainder to the stock owner and if the sale amount was insufficient to fulfill these amounts, the company may fulfill the remainder from all money belongs to the shareholder.

However, the shareholder who failed to pay until date may pay the due value, in addition to the expenses spent by the company in this regard.

The company annuls the sold shares in accordance with the provisions of this article and grants the buyer a new share that holds the number of the annulled share and it shall notate in the shares register with the completion of sale with the statement of the new owner's name.

Article (10): Company Shares:

- 1- The shares shall be common and may not be issued with less than its par value. However, it may be issued with higher than this value, whereas in the latter case, the value difference shall be added in a separate item among the shareholders' equity. It may not be distributed as profits on shareholders. The shares are undividable against the company, if multiple persons owned it, they must choose one of them to act on their behalf in using the shares' rights and these persons shall be jointly liable for the liabilities arising from the share ownership.
- 2- The company may purchase, mortgage or sell its shares in accordance with the controls set forth by the competent authority, whereas the shares purchased by the company will not have votes in the shareholders' assemblies.

Article (11): Shares' Trading:

The shares, in which the founders are subscribed, may only be traded after the publication of the financial statements for two fiscal years, each of which may not be less than twelve months from the date of the company's incorporation. The instruments of these shares shall be notated with what indicates their type, date of company incorporation and period, in which their trading is banned.

However, during the ban period, the shares property may be transferred in accordance with the provisions of selling rights from one of the founders to another founder, one of the founders' heirs in the event of his death to a third party or in the event of execution

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of the money of bankrupt or insolvent founder, whereas the priority of owning these shares shall be granted to the other founders.

The provisions of this article are applicable to what the founder subscribe in the event of capital increase before the expiry of the ban period.

Article (12): Shareholders' Register:

The company's shares are traded in accordance with the provisions of Saudi Capital Market.

Article (13): Capital Increase:

- 13.1. The Extraordinary General Assembly may decide to increase the company capital provided that the capital is fully paid. It is not necessary for the capital to be paid in full, if the unpaid part of the capital belongs to shares issued in return for transferring debt tools or financing instruments to shares and were not ended after the period prescribed for its transference to shares.
- 13.2. The Extraordinary General Assembly may – in all cases – allocate issued shares upon capital increase or part thereof to workers in the company and affiliated companies or some thereof or any of that. The shareholders may not practice the priority right when the company issues shares allocated for workers.
- 13.3. The shareholder who owns the share – at the time of issuing the decision of Extraordinary General Assembly with approval in capital increase – have the priority in subscription in new shares issued in exchange for cash shares and those shall be informed with their priority through publication in a daily newspaper or informing them via registered mail about the capital increase decision, subscription terms, period and its start and end date.
- 13.4. The Extraordinary General Assembly is entitled to suspend the enforcement of priority right for shareholders in subscription with capital increase in exchange for cash shares or grant the priority for non-shareholders in cases, which it deems appropriate for the company interest.
- 13.5. The shareholder is entitled to sell priority right or assign it within the period from the issue date of General Assembly decision with approving the capital increase until the last day for subscription in new shares associated with these rights in accordance with the controls set forth by the competent authority.
- 13.6. While taking into account what mentioned in paragraph (4) above, the new shares shall be distributed on the holders of priority rights who requested subscription

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with the percentage of what they own of priority rights from total priority rights arising from the capital increase, provided that what they obtain shall not exceed what they requested of new shares and the remainder of new shares shall be distributed on the holder of priority rights who requested more than their shares with the percentage of what they own of priority rights from total priority rights arising from the capital increase, provided that what they obtain shall not exceed what they requested of new shares, whereas the remaining shares shall be offered to third parties, unless the Extraordinary General Assembly or Saudi Capital Market Law states otherwise.

Article (14): Capital Decrease:

The company capital may – under a decision from the Extraordinary General Assembly – be decreased, if it exceeded its needs or the company has suffered losses, whereas in the latter case only, the capital may be decreased below the limit stated in article (54) of Companies’ Law. The decision shall only be issued after reading a special report prepared by the auditor about the justifying reasons, the company liabilities and the effect of decreases in these liabilities.

If the decrease was due to the company capital exceeding its needs, the creditor shall be called to present their objections thereon within sixty days from the date of publication of decrease decision in a daily newspaper distributed in the area, in which the company headquarter is located. If one of them objected and submitted documents to the company on said date, the company shall pay him his debt, if it is a current debt or provide sufficient guarantee, if it is a deferred debt.

Article (15): Bonds:

The company may issue any type of tradable and undividable debt tools, such as; Islamic instruments and bonds in accordance with the provisions of Companies’ Law and Capital Market Law, whereas the board of director is entitled to issue Islamic instruments and bonds with all types and offer them publically or privately, whether in a single or multiple parts or through a series of issues under a program or more created by the board of directors from time to time, in addition to the assignment of these bonds or instruments numbers, as well as its amounts, due dates, terms and everything associated therewith and take all the required actions to issue them.

Article (16): Preference Shares:

The Extraordinary General Assembly may – in accordance with the principles set forth by the competent authority – issue preference share, decide to purchase them, convert

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ordinary shares to preference share or convert preference share to ordinary shares, whereas preference share does not give the right to vote in Shareholders Assemblies. These shares give its owners the right to obtain a percentage higher than the owner of ordinary shares from net profits of the company after the allocation of the statutory reserve in line with Sharia Rules.

Section (3): Board of Directors

Article (17): Formation of Board of Directors:

The company management shall be assumed by a board of directors consists of seven members appointed by the Ordinary General Assembly for three years. The number of independent members of board of directors elected by the General Assembly shall be (3) members independent at all times. Also the majority of members of board of directors shall be from non-executive members at all times.

Article (18): Expiry of Board Membership:

The board membership expires with the expiry of its term or expiry of member competency thereto in accordance with any applicable laws or instructions in the Kingdom. However, the Ordinary General Assembly may – at all times – dismiss all or some members of board of directors, without prejudice to the dismissed member right towards the company to claim a compensation, if the dismissal was unjustified or occurred inappropriate time, whereas the member of board of director may resign provided choosing the appropriate time, otherwise he will be held accountable before the company for the damages arising due to resignation.

Article (19): Vacant Position in the Board:

If one of the members of board of directors positions has become vacant, the board may appoint a member in the vacant position, whereas he shall possess sufficient experience and the Ministry of Commerce and Investment and Saudi Capital Market shall be notified therewith within five working days from the appointment date, whereas the appointment shall be submitted to the Ordinary General Assembly in the first meeting therefor to acknowledge it, whereas the new member shall resume term of previous expired member. If the conditions necessary for the board of director convention were not available due to the members' number being below the limit stated in the Companies' Law or this Bylaws,

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the remaining members shall call the Ordinary General Assembly to convene within sixty days to elect the required number of members.

Article (20): Powers of Board of Directors:

- 20.1. While taking into account the competencies established for the General Assembly, the board of directors shall have the widest range of powers in management of the company and direct its matters inside and outside the Kingdom in line with its objectives, in addition to supervising over all of its works, assets and transactions, disposal of the company assets, properties and real estates, whereas it is entitled to purchase, accept it, pay the price, mortgage, redemption of mortgage, conveyance, receive the price, deliver the appraised, assignment and its acceptance, requesting arbitration, appointment of arbitrators and experts and discharge, whereas the board of directors minutes and its reasons shall include the decision of disposal of company assets, properties, real estates, while taking the following into account: -
- 1- The board shall specify in the sale decision the reasons and its justifications.
 - 2- The sale shall be close the counterpart price.
 - 3- The sale shall be immediate, except for cases of necessity and with sufficient guarantees.
 - 4- This disposal shall not generate the suspension of some of company activities or burden it with other liabilities and it has the right to take decisions with partnership in other companies or terminate partnership in companies, in which it partners and the board of directors has the power to grant guarantees to third parties.
- 20.2. The board of directors may make loans with government and non-government funds and financing institutions regardless of its period, as well as commercial loans, partnership and Murabaha contracts, treasury agreements, guarantees from banks and financial institutions and credit companies and signing the required order notes, whereas loan terms shall not exceed the end of the company term, while taking into account that the loan value, which the board of directors is allowed to make during the company fiscal year shall not exceed three times the capital. The board of directors on behalf of the company is entitled to submit the necessary guarantees to achieve its objectives, as well as joint-guarantee for the company, in which it is a partner. With equivalent to what it owns in these companies.
- 20.3. The board of directors have the right to reconcile, assign, contract, oblige and associate with the company name and on its behalf. The board of directors is

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entitled to carry out all works and actions, which would achieve the company objectives.

- 20.4. The board of directors may appoint within the limits of its competencies one or more of its members to represent it in taking a certain action or procedures, carry out certain work(s) and the board is entitled to delegate whoever it deems appropriate to its powers and competencies.
- 20.5. The board of directors may - in the cases deemed appropriate by it – discharge the company debtors from their obligations in accordance with its interest, whereas the board of directors' reports and its reason shall include the following conditions:
- 1- The discharge shall be after a full year from the debt commencement.
 - 2- The discharge right is solely entitled to the board and it may not be delegated.
 - 3- The discharge shall be to a specific amount at maximum for every year for single debtor.
- 20.6. Approving the company's internal regulations.
- 20.7. The board may appoint an executive chairman and director general for the company, dismiss them, whereas the board of directors shall determine in their appointment decision the competencies and powers assigned to them, their rewards and the term of assuming this position.

Article (21): Board of Directors' Reward:

The board of directors' reward consists of the percentages stated in article (45) of this Bylaws and within the limits of what is stated by the Companies' Law, any other laws, decisions or instructions complementary thereto. The board of directors' report to the Ordinary General Assembly includes a statement inclusive to everything obtained by the board of directors during the fiscal year of salaries, profit share, attendance allowance, expenses and other benefits. Also said report includes a statement of what is received by members of board of directors as employees or administrators or what they received in exchange for technical, administrative or consulting works for the company, which are previously approved by the company General Assembly, whereas it shall also include a statement with a number of board sessions and number of sessions attended by each member from the last date of General Assembly meeting.

Article (22): Chairman of Board of Director, Vice-Chairman and Secretary:

The board of directors appoints from amongst its members a chairman and vice chairman, whereas it may appoint a managing director. The vice-chairman replaces the chairman of board of directors upon his absence and in the event of the chairman and his vice-

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chairman absence, the members of board of directors authorized by the chairman shall replace him, whereas the chairman shall not hold the two positions of chairman and managing director, also holding the position of chairman of board of directors and vice-chairman or any executive position at the company is not allowed. The chairman of board of directors is entitled to the following powers: -

- 22.1. Calling the board of directors to convene and head the meetings of board of directors and Shareholders' General Assemblies.
- 22.2. Carrying out all other tasks assign to him by the board of directors under a decision taken by the board of directors, an authorization or power of attorney from all members.
- 22.3. Representing the company in its relationships with third parties, government and private authorities, before courts, judicial authorities, Board of Grievances, labor offices, labor committees, securities committees, Forensic Committee, custom committees, committees of commercial fraud combat, all judicial committees, arbitration and civil rights committee, police department, General Directorate for Civil Defense, its branches and its affiliated departments and administrations, Chambers of Commerce and Industry, Notary Publics, banks, private authorities, companies and institutions, in addition to the right to sign all types of contracts, papers and documents, including without limitation contracts related to loans obtained by the company, other financial agreements, mortgage, redemption of mortgage, granting guarantees, purchase or operation orders related to the company activities, tenders and bids awarding contracts, contracts of purchasing the properties necessary for the company, including movables, real estates and lands, selling properties, real estates and lands, signing Articles of Association of the company, in which the company is a partner and all amendments thereupon, as well as the right of conveyance and its acceptance, receipt and delivery, lease, receiving, paying, opening and closing accounts, credits, withdrawal and deposit at banks, issuing bank guarantees, signing all papers, documents, checks, all banking transactions, issuing construction licenses and other licenses need by the company to practice its activity, as well as the right to appoint employees and workers, dismiss them, and sign their labor contracts, requesting visas, recruitment of employment from abroad, contract with them, determine their salaries, issue labor license, Iqamas, its renewal, transferring sponsorships, assigning them, modifying professions, receiving visas compensations, reporting employment escape, completing employment procedures at Social Insurances, contacting the computer department in Manpower to drop or add employment, add and delete Saudis, receive Saudization certificates, opening main and subsidiary files, renewing and

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terminating them, issue data record (print) and receive and deliver. The Chairman of board of directors is entitled to appoint lawyers and attorneys to review the company affairs, plead and defend the company, hear cases, respond thereto, acknowledge, deny, reconcile, assign, discharge, take the oath and reject and abstain therefrom, submit memorandums, data, defenses, bring in witnesses, data, appeal against it, respond, vouching and discrediting, and appeal with forgery, deny hand-writings, stamps, signature, request travel ban and lift it, requesting confiscations and execution, requesting arbitration, appointment of experts and arbitrators, appeal against experts and arbitrators reports, requesting the execution of article (230) of Legal Procedures Code, requesting the execution of judgements, objecting thereupon, requesting appeal and petition, requesting exoneration and pre-emption, appear before courts and judicial authorities with all types and degrees, contacting relative authorities, completing all procedures necessary and sign what is required, whereas the Chairman of board of directors is entitled – under a written decision – to authorize some of his competencies to one of the members of board of directors or a third party to assume certain work(s).

- 22.4. The Chairman of board of directors is entitled to a rewards in his capacity as a chairman of the board, whereas the total of what the member of board of directors acquires of financial or in kind benefits shall not exceed five thousand riyals annually, whereas its total and rewards prescribed to him as a member of board of directors shall not exceed two times the rewards prescribed for members of board of directors and stated in article (21) of this Bylaws.
- 22.5. The board of directors specifies in its decision of appointing the managing director his powers, competencies, tasks, rewards and term of assuming this position.
- 22.6. The board of directors shall appoint – from amongst its members or else – a secretary in addition to determining his reward, whereas he shall be competent to record the meeting minutes of board of directors, write the decision issued from these meetings, maintain them, in addition to other competencies assigned to him by the board of directors.
- 22.7. The membership of chairman of board of directors, vice-chairman, managing director and secretary shall not exceed the membership of each of them in the board and they can always be reappointed. The board is entitled – at any time – to dismiss

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them, without prejudice to the rights of the dismissed party to a compensation, if the dismissal was due to illegitimate reason or occurred in inappropriate time.

- 22.8. No single member may occupy both positions of chairman of board of directors and managing director or executive chairman, director general or any executive position in the company.

Article (23): Board of Directors Meetings and Decisions:

- 23.1. The board of directors shall convene twice a year at least under an invitation from its chairman and the invitation shall be in writing and it may be delivered by hand, sent via mail, fax or email. The chairman of the board shall call for a meeting whenever he is requested to do such by two of the members at least.
- 23.2. The board of directors meeting shall only be deemed valid, if it was attended by at least four members appearing by themselves. In the event that the member of board of directors authorized another member to attend the board of directors' meetings, the representation shall only be in accordance with the following controls: -
- 1- The member of board of directors may not be represented by more than one member in attending that meeting.
 - 2- The representation shall be recorded in writing and in regard of a specific meeting, the representative may not vote on the decision, which the law bans the representative from voting.
 - 3- The decisions of board of directors are issued with absolute majority for the votes of attending members of board of directors or representatives in the meeting. When the votes are tied, the side, on which the chairman of board of directors is or whoever head the meeting in his absence, prevails.
 - 4- The board of directors may issue decisions in urgent matters through presenting them to all members separately, unless one of the members requests in writing to debate them and these decisions shall be presented to the board of directors in the first next meeting.
- 23.3. The board debates and decision shall be recorded in minutes signed by chairman of the session, attending members of board of directors and secretary and these minutes shall be recorded in a special register signed by the chairman of the board and secretary.

Article (24): Committees of Board of Directors:

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The board of directors may form committees from its members or third parties in accordance with the company needs. The board shall appoint from among the committee members a chairman thereto, the board of directors also determines the work approach of each committee, its competencies, members number and quorum necessary for its meetings. The committee practices its works assigned to it by the board from time to time in accordance with the instructions and directions of the board.

Section (4): Shareholders' Assembly

Article (25): Assemblies Attendance:

The properly formed General Assembly consists of all shareholders and its meetings convene in the city, in which the company headquarter is located. Each subscriber regardless of its shares number is entitled to attend Constituent Assembly by himself or by on behalf of other subscriber, whereas each shareholder is entitled to attend the General Assembly. The shareholder is also entitled to authorize a third party in writing from other non-members of board of directors or company employees in attending the General Assembly.

Article (26): Constituent Assembly Competencies:

The Constituent Assembly is competent with the matters mentioned in article (63) of Companies' Law.

Article (27): Ordinary General Assembly:

Except for the matters, in which the Extraordinary General Assembly is competent, the Ordinary General Assembly is competent with all matters related to the company, whereas it convenes once a year at least during the six months following the end of the company fiscal year. Other General Assembly may be also called to convene whenever necessary.

Article (28): Extraordinary General Assembly:

The Extraordinary General Assembly is competent with the amendment of the Company Bylaws, except for the provision, which it is banned to amend by law, in addition to that it is entitled to issue decisions in the matters falling within the scope of Ordinary General Assembly and that with the same conditions and situation decided for the last assembly.

Article (29): Convention of Shareholders Assembly:

The Shareholders Assembly convenes with an invitation from board of directors, whereas the board of directors shall call the General Assembly to convene, if the auditor, audit committee or a number of shareholders representing 5% of the capital at least requested

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such. The auditor may call the General Assembly to convene, if the board failed to call the Assembly within thirty days from the date of auditor request and no invitation was addressed for the Assembly to convene in accordance with paragraph (2/D) of article (90) of Companies' Law.

The invitation of the General Assembly to convene shall be published in the website of Saudi Stock Market and in a daily newspaper distributed in the area, in which the company headquarter is located before the date set for convention with twenty-one days at least. However, the company may address an invitation for the General Assembly and Shareholder Assembly to convene via modern technology means. The invitation includes the agenda, whereas a copy of the invitation shall be sent to the Ministry of Commerce and Saudi Capital Market within the period set for publication.

Article (30): Register of Assemblies' Attendance:

The shareholder willing to attend the General or Special Assembly shall register their names in the company headquarter before the time set for the Assembly convention. The Shareholders General Assembly may be held and the shareholder may participate in its deliberations and vote on its decision via modern technology means in accordance with the controls set forth by the competent authority.

Article (31): Ordinary General Assembly Quorum:

The Ordinary General Assembly meeting is only deemed valid, if it was attended by shareholder representing 75% of capital. If the quorum necessary to hold the meeting was not available, an invitation shall be addressed for a second meeting within the thirty days following the previous meeting. The invitation shall be announced with the method stated in article (29) of this Bylaws. However, the second meeting shall be held after an hour from the expiry of the period set for the first meeting convention, provided that the invitation for first meeting convention includes what states the announcement of the possibility of holding such meeting, whereas the second meeting shall be deemed valid regardless of the number of shares represented therein.

Article (32): Extraordinary General Assembly Quorum:

The Extraordinary General Assembly meeting shall only be deemed valid, if it was attended by shareholders who represent half the capital at least. If the quorum necessary for the meeting to be held was not available, an invitation for a second meeting with the same situations mentioned in article (31) of this Bylaws shall be addressed and the second meeting shall be valid, if it was attended by a number of shareholders representing 25% of the capital at least. However, the second meeting may be held after an hour from the

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expiry of the period set for the first meeting convention, provided that the invitation for first meeting convention includes what states the announcement of the possibility of holding such meeting.

If the quorum necessary was not available in the second meeting, an invitation shall be addressed for a third meeting to be held with the same situations stated in article (30) of this Bylaws and the third meeting shall be deemed valid regardless of the shares represented therein after the approval of the competent authority.

Article (33): Voting Power:

Each shareholder has a vote for each share that he represents in the Constituent Assembly. The votes in the Ordinary and Extraordinary general assembly are counted based on a vote per each share. However, the members of board of directors may not participate in voting on the Assembly decisions related to their discharge for their management period of the company, whereas the method of accumulative voting shall be followed in regard of appointment of members of board of directors by the Shareholder General Assembly.

Article (34): Decisions:

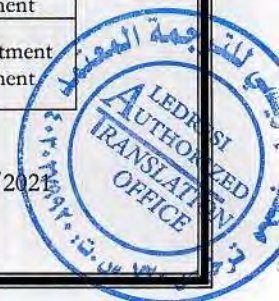
The decisions of in Constituent Assembly meetings are issued with absolute majority for shares represented therein. however, if these decisions were related to the evaluation of in-kind shares or special benefits, the approval of majority cash shares' subscribers is a must, which represents two-thirds said shares after the execution of what providers of cash shares were subscribed with or the beneficiaries of special benefits, whereas those shall not have an opinion in these decisions, even if there were owners of the cash shares.

The decisions of Extraordinary General Assembly are also issued with the majority of two-thirds of the shares represented in the meeting, unless the decision is related to increase or decrease of capital, extending the company term, dissolution of the company before the expiry of the period stated in its Bylaws or the company merger with another company or enterprise, whereas the decision shall only be deemed valid, if it was issued by majority of 75% of shares represented in the meeting.

Article (35): Discussing the Agenda:

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Each shareholder is entitled to discuss the subjects listed in the Assembly agenda and address questions in its regards to the members of board of directors and auditors. The members of board of directors and auditors shall answer the shareholders question with the amount that does not expose the company interest to harm or damage and if the shareholder deemed that the answer to his question was not convincing, he shall resort to the Assembly and its decision in this regard is final.

Article (36): Procedures for the General Assembly:

The general assembly is chaired by the chairman of the board of directors or his deputy in case of his absence, or whoever is delegated by the board of directors from its members for such purpose in the absence of the chairman and his deputy. The chairman appoints a secretary and a canvasser for the meeting, and a minute of the assembly meeting is drawn up that includes the names of the shareholders present and the representatives, the number of shares in their possession, in personam or by proxy, the number of votes allocated thereupon, the resolutions taken, the number of votes that have been approved or disapproved thereby, and a compendium the discussions that took place within the meeting. Minutes are regularly recorded after each meeting in a peculiar register signed by the chairman of the general assembly, its secretary and the canvasser.

Article (37): The Audit Committee:

By a resolution of the Ordinary General Assembly, an audit committee shall be formed, consisting of (3) three members who are not members of the executive board, whether from shareholders or others. The resolution shall specify the duties of the committee, its work controls, and the remuneration of its members.

Article (38): Quorum of the Audit Committee Meeting:

For the audit committee meeting to be valid, the attendance of the majority of its members is required, and its resolutions are issued by the majority of the votes of those present. When votes are equal, the side for which the committee chairman voted with will prevail.

Article (39): The Prerogatives of the Audit Committee:

The Audit Committee is responsible for monitoring the company's business. For this purpose, it has the right to audit its records and documents and to request any clarification or statement from members of the Board of Directors or the executive management. It may request the board of directors to call the general assembly of the company to convene if the board of directors impedes its work or the company suffers serious damages or losses.

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Article (40): Reports of the Audit Committee:

The Audit Committee must review the company's financial statements, the reports and notes provided by the auditor, and to express its findings thereon, if any. It shall also prepare a report on its opinion regarding the adequacy of the internal control system in the company and the other activities it has carried out within its jurisdiction. The board of directors must secure sufficient copies of this report in the company's head office at least twenty-one days before the date of the meeting of the General Assembly, in order to deliver a copy of such report to whoever desired by the shareholders, and the report is read during the meeting of the Assembly.

Section (5): The Auditor:

Article (41): Appointment of the Auditor:

The company shall have one or more auditors who are authorized to work within the Kingdom. The General Assembly shall annually appoint him, determine his fees and the term of his mission, and it has the right to reappoint him. The General Assembly may, at all times, also replace the auditor without prejudice to his right to compensation if the replacement takes place at an inappropriate time or for an unlawful reason.

Article (42): The Powers of the Auditor:

The auditor has the right, at all times, to review the company's records, registers, and other documents, and he has the right to request the information and explanations he deems necessary to obtain, in order to verify the company's assets, obligations, and all other things that fall within the scope of his work, and the chairman of the board of directors must enable the auditor to perform his duty. In the event that the auditor encounters difficulty in this regard, he shall prove such issue in a report submitted to the Board of Directors. In the event that the board does not facilitate the work of the auditor, he must request the board of directors to call for the Ordinary General Assembly to consider the matter.

Section (6): Company Accounts and Profit Distribution:

Article (43): The Fiscal Year

The company's fiscal year starts from the date of issuance of the announcement of the incorporation of the company by the resolution of His Excellency the Minister of Commerce, and ends on 19/9/1428 AH corresponding to 30/9/2007. After that, the fiscal year is twelve months.

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Article (44): Financial documents:

- 44.1. The board of directors must, at the end of each fiscal year for the company, prepare the company's financial statements and a report on the company's activity and financial position for the past fiscal year and the method it proposes to distribute the net profits. The board of directors make these documents available to the auditor at least forty-five days before the date set for the meeting of the general assembly.
- 44.2. The Board Chairman, Chief Executive Officer, and the Financial Director must sign the documents referred to in Paragraph (1) of this Article. Copies of these documents shall be secured at the head office of the company available to the shareholders at least twenty-one days before the date set for the meeting of the general assembly.
- 44.3. The chairman of the board of directors shall provide the shareholders with the financial statements of the company, the report of the board of directors, and the auditor's report, unless they are published in a quotidian newspaper distributed in the company's head office. He shall also send a copy of these documents to the Ministry of commerce and Investment and the Capital Market Authority, at least twenty one days before the date of the General Assembly.

Article (45): Profit Distribution:

The net annual profits of the company are distributed after deducting all public expenditure and other costs, including the Sharia-imposed zakat, as follows:

- 45.1. (10%) of the net profits shall be retained to form a statutory reserve, and the Ordinary General Assembly may cease this deduction when the said reserve reaches 30% of the paid capital.
- 45.2. The Ordinary General Assembly, based on the proposal of the Board of Directors, to retain 10% of the net profits to form a sufficient agreed reserve to be allocated for specific purposes.
- 45.3. The Ordinary General Assembly, when determining the portion of shares in the net profits, may decide to create other reserves, to the extent that it serves the interest of the company or guarantees the distribution of fixed profits as possible to the shareholders. The aforementioned Assembly may also deduct amounts from the net profits to establish social institutions for the company's employees or to assist the existing institutions thereof.
- 45.4. After that, an initial payment of five (5%) percent of the paid-up capital is distributed to the shareholders of the remainder.

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- 45.5. Subject to the provisions of the Article (21) stipulated herein, and Article (76) of the Companies Law, after the foregoing, a rate of (10%) ten percent of the remainder shall be allocated to the remuneration of the Board of Directors. Provided that, in all cases, the total remuneration and financial or in-kind benefits and rewards that a member of the Board of Directors receive shall not exceed an amount of five hundred thousand Riyals annually, in accordance with the controls laid down by the competent authority and that the entitlement of this remuneration is proportional to the number of meetings attended by the member.
- 45.6. After that, the remainder shall be distributed to the shareholders as an additional portion in the profits, or carried over to the following years as approved by the General Assembly.
- 45.7. The Ordinary General Assembly may decide to distribute interim profits to its shareholders on a quarterly or semi-annual basis, and it may authorize the Board of Directors to do so by virtue of a resolution that annually reissued.

Article (46): Profit Entitlement:

The shareholder is entitled to his portion in the profits in accordance with the resolution of the General Assembly issued in this regard, provided that the resolution indicates the date of entitlement and the date of distribution. The entitlement for profits shall be for shareholders registered in the register of shareholders at the end of the day specified for entitlement.

Article (47): Profits Distribution for Preferred Shares:

- 47.1. If no profits are distributed for any fiscal year, it is not permissible to distribute profits for the following years except after paying the percentage specified in accordance with the provisions of Article (one hundred and fourteen) of the Companies Law for the owners of preferred shares for that year.
- 47.2. If the company fails to pay the specified percentage, in accordance with the provisions of Article (one hundred and fourteen) of the Companies Law, of profits for a period of three consecutive years, then the Special Assembly of the owners of these shares, which convened by the provisions of the (Article eighty-nine) of the Companies Law, may decide whether to call them for meetings of the company's General Assembly and participate in voting, or appointing representatives therefor in the board of directors in proportion to the value of their shares in the capital, so that the company is able to pay all the priority profits allocated to the owners of these shares for previous years.

Article (48): Company's Losses:

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- 48.1. If the company's losses amount to half of the paid-up capital, at any time during the fiscal year, any company official or auditor must immediately inform the chairman of the board of directors, and the latter must immediately inform the members of the board thereof. The Board of Directors must, within fifteen days of being informed, call the Extraordinary General Assembly to a meeting within forty-five days from the date of being informed by the losses, to decide whether to increase or decrease the company's capital in accordance with the provisions of the Companies Law, to the extent that the percentage of losses decreases to less than half of the paid capital or the dissolution of the company before the term specified herein.
- 48.2. The company shall be deemed terminated by the force of the Companies Law if the General Assembly does not hold its meeting within the period specified in Paragraph (1) of this Article, or if it convenes and is unable to issue a resolution on such regard, or if it decides to increase the capital in accordance with the conditions stipulated in this Article and no subscription has been made for each capital increase within ninety days from the issuance of the Assembly's resolution to increase the capital.

Section (7): Disputes

Article (49): Liability Claim:

Each shareholder has the right to file a liability claim prescribed by the company against the Board members if the fault that they had made would cause special harm to such shareholder, provided that the company's right to file the liability claim it is still valid. The shareholder must notify the company of his intention to file such claim.

Section (8): Dissolution and Liquidation of the Company:

Article (50): Company Expiration:

Upon its expiration, the company enters the phase of liquidation and remains incorporated to the extent necessary for liquidation. The voluntary liquidation resolution is issued by the Extraordinary General Assembly, and the liquidation resolution must include the appointment of the liquidator, specifying his powers and fees, restrictions imposed on his powers and the time required for liquidation. The period of voluntary liquidation must not exceed five years and may not be extended for more than that period except by a court order and the authority of the company's board of directors shall end upon its dissolution. Nevertheless, they remain in charge of managing the company and are counted as

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liquidators in relation to others until the liquidator is appointed, and shareholders' assemblies remain in place during the liquidation period, and their role is limited to practicing their competencies that do not conflict with those of the liquidator.

Section (9): Final Provisions:

Article (51): Adoption of the Bylaws:

All shareholders have agreed to this Bylaws of the company and pledged, including the new partners, to abide by its provisions.

Article (52): Companies Law:

Where no text is mentioned in a particular regard, the Companies' Law shall be applied.

Article (53): Publication:

This Bylaws is filed and published in accordance with the Companies' Law.

Section (10): Amendments:

Article (54): Amendments:

Articles (10) and (45) have been amended according to the resolution of the (the tenth) Extraordinary General Assembly held in Riyadh on 29/05/1438 AH corresponding to 26/02/2017 AD.

Articles (3), (19), (29), (40), (44) have been amended according to the resolution of the (eleventh) Extraordinary General Assembly) held in Riyadh on 11/7/1440 H corresponding to 18/3/2019 AD.

Article (20), paragraph (20-2) has been amended according to the resolution of the extraordinary general assembly (the twelfth) held on 22/12/1442 H corresponding to 01/8/2021 AD.

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