



## Articles of Association

### Chapter 1: Establishment of the Company

#### **Article 1: Establishment:**

The company was established in accordance with the provisions of the Companies Law issued by Royal Decree (M/6) on 22/03/1385 H, which was amended by the issuance of the new Companies Law by Royal Decree (M/3) on 28/01/1437 H and its regulations. Based on Board of Ministers Decision No. (403) on 24/7/1439 H. According to these Regulations, it is a Saudi joint stock company among the owners of the shares listed in accordance with the following terms and conditions.


#### **Article 2: Company's name:**

**WAFRAH for Industry & Development Company**, (Saudi joint stock company), Commercial Registration No.: 1010076996.

#### **Article 3: Objectives of the company:**

The company carries out and implements the following objectives:

1. Manufacture, packaging, preservation, processing, development and marketing of foodstuffs at inside and outside, including the following:
  - A. The company takes advantage of surplus agricultural seasonal crops, especially fast-damage crops, and provides them to the consumer after processing and subjecting them to varying degrees of food manufacturing services.
  - B. The company makes optimal use of certain plant and animal products, the burning and disposal of which constitutes a loss to the national economy. For example, such as: (residues of poultry and ruminant slaughterhouses, fish remains and their offal such as

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internal guts, heads and bones), and using them to produce animal feed that contains a high nutritional value.

- C. Manufacture of some food products from their oils such as extraction of vegetable oils and sugar and take advantage of their remnants after manufacture as feed and others.
- D. Achieving one of the most important goals of agricultural development and expanding and diversifying the agricultural production base by encouraging producers in the agricultural sector to introduce new agricultural crops.
- E. Increase export opportunities for domestic agricultural products especially perishable crops such as: Manufactured or processed food goods.

2. Investing for the company in the creation, development and ownership of industrial projects.
3. Investment in land and real estate, including the following:
  - Purchase and sale of land for the company's benefit.
  - Management and leasing of property owned or leased (residential).
  - Management and leasing of property owned or leased (non-residential).
  - Management, maintenance, operation, ownership and establishment of industrial projects for the benefit of the company.
  - After obtaining the necessary licenses from the competent authorities, if any, the company carries out its activities in accordance with the applicable regulations.

**4. Investment in agricultural production and seed abundance:**

Establishment and management of plant and animal farms and services related to the project, reclamation, investment, leasing, well drilling, agency acquisition, import and export investment of the company and others in agricultural and food materials, cereals, seeds and feed. In addition to the purchase and proliferation of seeds and their sale and manufacture, especially of raw materials used in the company's manufacturing. This is for the company's benefit individually or in partnership and cooperation with farmers or other agricultural companies. To achieve this, the company supports research and experiments to select the best seeds for agricultural products.

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#### **Article 4: Participation and ownership in companies:**

The company may establish companies on its own (with limited liability or closed joint stock), provided that the capital is not less than (5) million riyals. It may also own shares and shares in other existing companies or merge with them. It has the right to participate with others in the establishment of joint stock or limited liability companies, after fulfilling the requirements of the regulations and instructions followed in this regard. The company may also dispose of these shares, provided that this does not include intermediation in its trading.

#### **Article 5: the Company's main centre:**

The company's main centre is located in Riyadh City and may establish branches, offices or agents inside or outside the Kingdom by decision of the Board of Directors.


#### **Article 6: Duration of the company:**

The duration of the company is (50) Hijri years starting from the date of its registration in the Commercial Register. This duration may be extended by a decision of the General Association's extraordinary at least one year before its expiration.

### **Chapter 1: Capital and Shares**

#### **Article 7: Capital:**

The company's capital is set at an amount of: (231,511,050) Saudi riyals (two hundred and thirty-one million, five hundred and eleven thousand and fifty Saudi riyals). Divided into (23,151,105) nominal shares of equal value. The value of each is (10) Saudi riyals, and all of them are cash ordinary shares.

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### **Article 8: Subscription to Shares:**

The founders and shareholders have subscribed to (23,151,105) shares for which they have paid in full.


### **Article 9: Preferred Shares:**

According to the grounds laid down by the competent authority, the General Association's extraordinary of the company may issue excellent shares, decide to buy them or convert ordinary shares into excellent shares, up to 10% of the company's capital. In accordance with the executive regulations of the Companies Law issued by the Authority, or the conversion of preferred shares into ordinary ones. Preferred shares do not give the right to vote in the General Association of shareholders. These shares entitle their owners to obtain a percentage more than the ordinary shares holders after setting aside the statutory reserve from the company's net profits.

### **Article 10: Sale of undervalued shares:**

Whereas, the shareholder is obligated to pay the value of the share on the dates specified for payment. If he fails to pay on the due date, the Board of Directors may sell the share at auction or on the stock market after it has been notified by publication in a daily newspaper or by a registered letter, as the case may be, in accordance with the regulations established by the competent authority. The company shall collect the amounts due to it from the sale proceeds and return the remainder to the shareholder. If the sale proceeds are not sufficient to meet these amounts, the company may collect the remainder from all shareholder funds. However, the shareholder who defaulted on payment until the day of the sale may pay the value due from him in addition to the expenses incurred by the company in this regard. The company cancels the sold share in accordance with the provisions of this article, and gives the buyer a new share bearing the number of the canceled share, and it is registered in the sale shares register with the name of the new owner.

### **Article 11: Issuance of Shares:**

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Shares must be nominal and may not be issued below their nominal value, but may be issued above this value. In this latter case, the difference in value is added in a separate item within the shareholders' equity. It may not be distributed as profits to shareholders. As the share is indivisible against the company. If more than one person owns the same share, they must choose one of them to represent them in the use of the rights related to the share, and these people are jointly responsible for the obligations arising from the ownership of the share.

### **Article 12: Shareholders Register:**

The company trades and subscribes to shares in accordance with the provisions of the Capital Market Law.

### **Article 13: Capital increase:**

1. The General Association's extraordinary has the right to decide to increase the company's capital. This is provided that the capital has been paid in full. It is not required that the capital has been paid in full if the unpaid part of the capital belongs to shares issued in exchange for converting debt instruments or financing instruments into shares and the period prescribed for their conversion into shares has not expired.
2. In all cases, The General Association's extraordinary has the right to allocate the shares issued upon the capital increase, or part thereof, to employees of the company and all or some of the subsidiaries, or any of that. Shareholders may not exercise the right of priority when the company issues the shares allocated to employees
3. At the time of the issuance of the General Association's extraordinary decision approving the capital increase, the shareholder who owns the share has the right to priority in subscribing to the new shares issued in exchange for cash shares. These persons shall be informed of their priority by publishing in a daily newspaper or by notifying them through registered mail of the decision to increase the capital, the terms of subscription, its duration and the date of its beginning and end.
4. The General Association's extraordinary has the right to suspend the right of priority for shareholders to subscribe by raising capital against cash shares or to prioritize non-shareholders in cases it deems appropriate for the benefit of the company.

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- The shareholder has the right to sell or waive the priority right within the period from the time of the General Association's decision to approve the capital increase until the last day of subscription in the new shares associated with these rights, in accordance with the controls established by the competent authority.
- The new shares shall be distributed to the priority rights holders who have requested subscription, in proportion to the rights they own from the total rights resulting from the capital increase, taking into account what was mentioned in paragraph (4) above. Provided that what they receive does not exceed what they requested of the new shares. The remainder of the new equity is distributed to priority rights holders who have requested more than their share, as a proportion of their priority rights as a result of the capital increase. Provided that they do not exceed the new shares they have requested. The remainder of the shares shall be offered to third parties, unless the General Association's extraordinary decides or the financial market system stipulates otherwise.

#### **Article 14: Capital Reduction:**

The General Association's extraordinary may decide to reduce the capital if it exceeds the company's needs or if it incurred losses. The capital may be reduced only if losses are incurred below the limit stipulated in Article (54) of the Companies Law. The reduction decision shall not be issued until after the issuance of a special report prepared by the auditor on the reasons for the reduction, 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, creditors must be invited to raise their objections within 60 days of the publication of the reduction decision in a daily newspaper distributed in the area where the company's main position is located. If one of the creditors objects and submits his documents to the company on the aforementioned date, the company must pay him his debt if payment is due, or provide him with sufficient guarantees to pay it if it is due at a later date.

### **Chapter 3: The Board of Directors**

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### **Article 15: Company management:**


The Company is managed by a Board of Directors composed of (7) members appointed by the Shareholders' Regular General Association for a period not exceeding (3) years. The majority of non-executive members must be at least 3 independent members of the Board of Directors and may be reappointed. As an exception to this, the founders appointed the first board of directors for a term of five years.

### **Article 16: Termination of the Board of Directors' Membership:**

According to any system or instructions in force in the Kingdom of Saudi Arabia, the membership of the Board of Directors shall expire upon the expiry of its term or upon the expiry of the member's term of office. However, the General Association's Ordinary 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 the dismissal occurred for an unacceptable reason or at an inappropriate time, a member of the Board of Directors has the right to resign, provided that this is at an appropriate time and if he is responsible before the company for the damages resulting from the resignation.

### **Article 17: Vacant position in the Board of Directors:**

The Board has the right to appoint a temporary member to the vacant position, if the position of a member of the Board of Directors becomes vacant. Provided that he is one of those who have sufficient experience and must inform the Ministry and the Capital Market Authority of this within 5 working days from the date of appointment. The appointment shall be presented to the General Association's Ordinary in its first meeting, and the new member shall complete the term of the previous member. The rest of the members shall call the General Association's Ordinary to convene within 60 days to elect the necessary number of members, if the necessary conditions for the meeting of the Board of Directors are not met due to the lack of the number of its members below the minimum stipulated in the Companies Law or these Regulations.

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### Article 18: Powers of the Board of Directors:

The board of directors shall have the widest powers in managing the company in a way that achieves its objectives, taking into account the competencies established for the General Association. The Board of Directors shall be authorized and empowered with all the powers and authorities necessary to manage the company and as an agent acting on its behalf to represent the company before all governmental and official departments, notaries and others. The board of directors shall have the right to sell, empty, receive and pay the price, mortgage, redeem the pledge, issue bonds to replace lost and damaged instruments, purchase, accept emptying, register, receive and deliver, and open branches of the company and its projects. In addition to registering agencies and trademarks, registering in the commercial register, and requesting the entry of public utilities and services such as electricity, telephone and water. The Board of Directors shall have the right to issue industrial licenses, labor recruitment visas, transfer sponsorships, issue exit and return and final exit visas, establish new companies, participate in establishing new companies, exit from them, and reconciliation to achieve the company's objectives. Including dealing with third parties, concluding all contracts and transactions included in the company's offer, buying and renting places, real estate, shares and equipment, collecting the company's rights, performing its obligations, creating commercial papers, signing, endorsing and receiving them, and procedures for all banking transactions necessary for the company's activity. Including opening, managing and closing accounts, withdrawing from, depositing and investing in them, signing and cashing checks and the like, and authorizing others to manage these accounts of all kinds. The board of directors shall have the right to sign, manage and liquidate all commercial documents and papers, investment balances and company shares, mortgage them all, sign Islamic earnings agreements, participate in funds and investment portfolios in banks and sell them. The board of directors shall have the right to buy and sell shares, receive payments, mortgage and empty, receive instruments, buy and sell shares of joint stock companies and all securities, receive the price, appoint third parties as a special agency, conclude investment contracts, request and take loans and facilities. According to the Companies Law and its regulations from the Saudi Industrial Development Fund, the Agricultural Bank and any other banks. The Board of Directors shall have the right to mortgage, seize and sign on behalf of the company before all Saudi and non-Saudi governmental agencies and in front of third parties and every matter related to the interests and affairs of the company and the realization of its interests. All actions and actions of the Board of Directors are binding on the company. The Board of Directors has the right to delegate (with the approval of the majority of its

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members) one or more of its members or third parties to carry out certain business within its competence.

### **Article 19: Board Members Remuneration:**


As in Article 43/5 of this system, the remuneration of the members of the board of directors consists of a certain annual amount, an allowance for attending sessions, expenses, benefits in kind, and a percentage of the profits. Not exceeding in total (500,000) Saudi riyals per year. The report of the Board of Directors to the General Association's Ordinary must include a comprehensive statement of all the Board members received during the financial year in terms of remuneration, expense allowance and other benefits. It shall also include a statement of what the board members received in their capacity as workers or administrators, or what they received in return for technical or administrative work or consultancy. It shall also include a statement of the number of Board of Directors sessions and the number of sessions attended by each member from the date of the last meeting of the General Association.

### **Article 20: Powers of the Chairman, Deputy, Managing Director and Secretary:**

The Board of Directors shall appoint from among its members a Chairman and a Vice-President. It may appoint an assigned member. The position of Chairman of the Board of Directors shall not be combined with any executive position of the Company.

The Chairman of the Board represents the company before the courts, arbitration bodies and others. The chairman of the Board has the right to delegate some of his powers to other members of the Board or to third parties to carry out specific work or actions by a written decision. In the absence of the Chairman of the Board of Directors, the Vice Chairman of the Board of Directors shall replace him. The Managing Director is responsible for implementing the decisions of the Board of Directors, and heads the executive management of the company.

The board of directors determines the remuneration that each of them receives. In addition to the remuneration determined for members of the Board of Directors, which is based on the recommendations of the Remuneration Committee and takes into account the provisions of the Companies Law and its implementing regulations. The board of directors appoints a secretary to

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be chosen by it from among its members or from others, who is responsible for recording the minutes of the board of directors' meetings, writing down the decisions issued by these meetings and keeping them, in addition to exercising other powers entrusted to him by the board of directors. His remuneration is determined by the Board of Directors, in accordance with the recommendations of the Remuneration Committee. 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 may at any time dismiss them or any of them. This is without prejudice to the right of the dismissed person to compensation if the dismissal occurred for an unlawful reason or at an inappropriate time.

### **Article 21: Board meetings:**


The Board of Directors meets at least twice a year at the invitation of the Chairman. The invitation shall be in writing and may be delivered or sent by mail, fax or any other means determined by the Board. The chairman of the Board must call the Board to a meeting whenever requested to do so by two members.

### **Article 22: Minimum number of members required to attend the Board of Directors meeting:**

The meeting of the Board of Directors shall not be valid unless attended by at least four members. A member of the Board of Directors may delegate other members to attend meetings of the Board on his behalf in accordance with the following rules:

1. A member of the Board of Directors may not represent more than one member in attending the same meeting.
2. The representation shall be in writing and for a specific meeting.
3. The representative may not vote on the decisions that the Companies Law and its regulations prohibit the representative to vote on.

The decisions of the Board are issued by a majority of the opinions of the members present or represented in it, and when the opinions are equal, the side with which the chairperson voted shall prevail.

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The Board of Directors has the right to issue decisions by bringing them to the attention of all members separately. Unless one of the members requests a meeting of the Board for deliberation. These decisions are presented to the Board at its first following meeting.

### **Article 23: Deliberations of the Board of Directors:**

Where the deliberations and decisions of the board of directors must be recorded in minutes signed by the chairman of the meeting, 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 of Directors and the Secretary.

## **Chapter 4: The Shareholders' Associations**


### **Article 24: Attending Associations:**

Each subscriber is entitled to attend the constituent Association, regardless of the number of his shares. Each shareholder has the right to attend the General Association of shareholders. He has the right to delegate another person other than the members of the board of directors or the company's employees to attend the General Association on his behalf.

### **Article 25: Responsibilities of the General Association's Ordinary:**

The General Association's Ordinary is concerned with all matters relating to the company, except for matters that are concerned with the General Association's extraordinary. It meets at least once a year during the six months following the end of the company's financial year. Other General Association's Ordinary may be called whenever the need arises.

### **Article 26: Responsibilities of the General Association's extraordinary:**

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The General Association's extraordinary is concerned with amending the company's articles of association, except for matters that are prohibited from amending by law. It may issue resolutions on matters originally within the competences of the General Association's Ordinary. This is subject to the same terms and conditions as those prescribed for the General Association's Ordinary.

### **Article 27: Invitation to Association:**

General or special Associations of shareholders are convened at the invitation of the Board of Directors. The Board of Directors shall have the right to invite the General Association's Ordinary to convene if requested by the auditor, the audit committee, or a number of shareholders representing at least (5%) of the capital.


If the board does not invite the Association within thirty days from the date of the auditor's request, the auditor may invite the Association to convene. The invitation to convene the General Association shall be published in a daily newspaper distributed at the company's head office at least (21) before the date fixed for the meeting. However, it may be sufficient to send the invitation on the aforementioned date to all shareholders by registered letters. A copy of the invitation and the agenda shall be sent to the Ministry, as well as to the Capital Market Authority, within the period specified for publication.

### **Article 28: Attendance Record of Associations:**

Before the time set for the Association, the shareholders who wish to attend the general or special Association register their names at the company's head office.

### **Article 29: Minimum number of members required to attend the General Association's Ordinary meeting:**

The meeting of the General Association's Ordinary shall not be valid unless attended by shareholders representing at least one quarter of the capital. An invitation shall be sent to a second meeting to be held within 30 days following the previous meeting if the number necessary to hold this meeting is not available. This invitation shall be published in the manner provided for in

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Article 30. However, the second meeting may be held an hour after the end of the period specified for the first meeting. Provided that the invitation to hold the first meeting includes an announcement of the possibility of holding this meeting. In all cases, the second meeting shall be valid regardless of the number of shares represented therein.

**Article 30: Minimum number of members required to attend the General Association's extraordinary meeting:**


The General Association's extraordinary meeting shall not be valid unless attended by shareholders representing half of the capital. If this required number is not available in the first meeting, an invitation is sent to a second meeting to be held in the same conditions stipulated in Article 30. However, the second meeting may be held an hour after the end of the period specified for the first meeting. Provided that the invitation to hold the first meeting includes an announcement of the possibility of holding this meeting. In all cases, the second meeting shall be valid if attended by a number of shareholders representing at least a quarter of the capital. If the required number is not available in the second meeting, an invitation is sent to a third meeting to be held under the same conditions stipulated in Article (30) of the system. The third meeting shall be valid regardless of the number of shares represented therein, after the approval of the competent authority

**Article 31: Voting in the Associations:**

Each subscriber has the right to vote for each share he represents in the constituent Associations, and each shareholder has the right to vote for each share in the General Associations. Cumulative voting should be used in the election of the Board of Directors.

**Article 32: Decisions of the Associations:**

Decisions in the Constituent Association shall be made by an absolute majority of the shares represented therein. Decisions of the General Association's Ordinary shall be made by an absolute majority of the shares represented at the meeting. The decisions of the General Association's extraordinary are also issued by a two-thirds majority of the shares represented at the meeting.

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Unless the decision is related to the increase or decrease of the capital, the extension of the company's term, its dissolution before the expiry of the period specified in its articles of association, or its merger with another company. It is not valid unless it is issued by a majority of three quarters of the shares represented at the meeting.

### **Article 33: Discussion in Associations:**

Each contributor has the right to discuss the topics on the Association's agenda and to ask questions about them to the members of the Board of Directors and the Auditor. The Board of Directors or the auditor answers shareholders' questions to the extent that the company's interest is not prejudiced. If, in the contributor's view, the answer to his question was unconvincing, he would appeal to the Association, and its decision in that regard was in force.

### **Article 34: Presidency of associations and preparation of minutes:**


The meetings of the General Association of shareholders are chaired by the chairman of the board of directors or his deputy in his absence in the event of the absence of the chairman and his deputy.

Minutes of the Association meeting shall be drawn up containing all of the following: (The number of shareholders present or represented, the number of shares they hold, the number of votes assigned to them, the decisions taken, the number of votes that approved or disagreed with them, and a complete summary of the discussions that took place at the meeting). The minutes are recorded on a regular basis after each meeting in a special register signed by the president of the association, the secretary and the vote collector.

## **Chapter 5: Audit Committee**

### **Article 35: Composition of the Committee:**

The Audit Committee shall be formed of three members who are not members of the Executive Board of Directors, whether from shareholders or others by a decision of the General Association's

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Ordinary. The resolution specifies the committee's tasks, its work controls, and the remuneration of its members.

**Article 36: Minimum number of members required to attend the Audit Committee meeting:**

For a meeting of the Audit Committee to be valid, the presence of the majority of its members is required. Its decisions are issued by a majority of the votes of those present, and in the event of a tie, the side with which the head of the committee voted shall prevail.

**Article 37: Responsibilities of the Audit Committee:**


The Audit Committee is responsible for monitoring the company's business, and it has the right to review its records and documents and to request any clarification or statement from the members of the Board of Directors or the Executive Management. If the board of directors obstructs its work or the company suffers serious damage or losses, the audit committee may request the board of directors to invite the company's General Association to convene.

**Article 38: Committee Reports:**

The Audit Committee shall consider the company's financial statements, reports and notes submitted by the auditor, and express its views on them, if any. It must also prepare a report on its opinion regarding the adequacy of the company's internal control system and the other work it has undertaken. The board of directors shall deposit a sufficient copy of this report at the company's head office at least 21 days before the date of the General Association meeting to provide each shareholder who wishes with a copy of it. The report is read during the Association.

**Chapter 6: Auditor**

**Article 39: Appointment of the auditor:**

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The company must have one or more auditors from among the auditors licensed to work in the Kingdom. The auditor is appointed annually by the General Association's Ordinary, and determines his remuneration and term of work. The association may also at any time change it without prejudice to its right to compensation if the change occurred at an inappropriate time or for an illegal reason.

#### **Article 40: Powers of the auditor:**

The auditor has the right at any time to review the company's books, records and other documents. He is also entitled to request data and clarifications that he deems necessary to obtain, in order to verify the company's assets, obligations and other matters that fall within the scope of his work. The chairman of the board of directors shall enable him to perform his duty, and if the auditor encounters difficulty in this regard, he shall prove this in a report submitted to the board of directors. The auditor shall request the board of directors to invite the General Association's Ordinary to consider the matter if the board does not facilitate the work of the auditor.


### **Chapter 7: Company accounts and dividends**

#### **Article 41: financial year:**

The company's financial year begins on the first of January and ends at the end of December of each year. Provided that the first financial year begins from the date of the ministerial decision announcing the establishment of the company and ends on 14/06/1411 H - 31/12/1990 G.

#### **Article 42: Financial Documents:**

1. At the end of each financial year, the Board of Directors shall prepare the Company's financial statements and a report on its activity and financial position for the expired financial year. The present report guarantees the proposed method of dividend distribution. The Board shall place these documents at the auditor's disposal at least 45 days in advance of the General Association.

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2. The company's board of directors, chief executive officer and financial manager must sign the documents referred to in paragraph (1) of this article. Copies of it shall be deposited at the company's head office at the shareholders' disposal at least 21 days before the date set for holding the General Association.
3. The chairman of the board of directors must provide the shareholders with the company's financial statements, the board of directors' report, and the auditor's report, unless they are published in a daily newspaper distributed in the company's head office. Accordingly, he shall also send a copy of these documents to the Ministry, as well as to the Capital Market Authority, at least fifteen days before the date of the General Association.

### **Article 43: Dividend distribution:**

The company's annual net profits are distributed as follows:

1. Avoids (10%) of net profits to form the company's regular reserve. The General Association's Ordinary may decide to discontinue this deduction when the said reserve reaches (30%) of the paid-up capital.
2. The General Association's Ordinary must set aside (10%) of the net profits to form a consensual reserve to be allocated for the benefit of the company based on the proposal of the Board of Directors.
3. The General Association's Ordinary has the right to decide to form other reserves, to the extent that achieves the interest of the company or ensures the distribution of fixed profits as much as possible to the shareholders. The Association may also deduct from the net profits amounts for the establishment of social enterprises of the company's employees any existing ones.
4. After that, a percentage representing (5%) of the company's paid-in capital shall be distributed to the shareholders.
5. After the foregoing, (10%) of the remainder shall be allocated to the remuneration of the Board of Directors, taking into account the provisions stipulated in Article (20) of this by law and Article 76 of the Companies Law. The entitlement to this bonus is proportional to the number of sessions attended by the member.

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#### **Article 44: Entitlement to profits:**


The shareholder is entitled to his share of the profits in accordance with the decision of the General Association issued in this regard. The resolution indicates the maturity date and the distribution date. The eligibility for profits is for the owners of shares registered in the shareholders' records at the end of the day specified for entitlement.

#### **Article 45: Dividend distribution of preferred shares:**

1. If no dividend is distributed for any financial year, dividends may be distributed for the following years only after payment of the percentage specified in accordance with the provision of Article (114) of the Companies' Regulations for the Owners of the Premium Shares for this year.
2. The special Association of the owners of these shares, held in accordance with the provisions of Article (89) of the Companies Law, may decide either that they attend the meetings of the company's General Association and participate in voting, or that they appoint representatives to the board of directors in proportion to the value of their shares in the capital. This is if the company fails to pay the specified percentage in accordance with the provisions of Article 114 of the Companies Law for a period of three consecutive years. Until the company is able to pay all the priority dividends allocated to the holders of these shares for previous years.

#### **Article 46: Company losses:**

1. Any official in the company or the auditor shall, upon becoming aware of the company's losses, inform the Chairman of the Board of Directors, if the losses of the joint-stock company amount to half of the paid-up capital, at any time during the fiscal year. The Chairman of the Board of Directors shall immediately inform the Board members of this. Within 15 days of learning of this, the Board of Directors must convene the General Association's extraordinary within 45 days of learning of the losses, to decide whether to increase or reduce the company's capital. This is in accordance with the provisions of the

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corporate system to the extent that the ratio of losses falls below half the capital paid, or the termination of the company before the deadline set in this corporate system.

2. If the General Association does not meet within the period specified in paragraph (1) of this article, the company is considered to be discontinued. Or if it met and was unable to issue a decision in the matter, or if it decided to increase the capital in accordance with the conditions prescribed in this article and the subscription for all the capital increase was not completed within 90 days from the issuance of the assembly's decision to increase.

## Chapter 8: Settlement of Disputes


### Article 47: Liability lawsuit:

Each shareholder has the right to do a liability lawsuit for the company against the members of the board of directors if the mistake made by them would cause him special damage. The shareholder may not do the aforementioned lawsuit unless the company's right to do it still exists. The shareholder must inform the company of his intention to do a lawsuit, while limiting his right to claim compensation for the special damage he sustained. The expenses incurred by the shareholder in doing a lawsuit against the company may be charged, regardless of its outcome, under the following conditions:

1. If he does the lawsuit in good faith.
2. If he submitted to the company the reason for which he instituted the lawsuit and did not receive a response within (30) days.
3. If it is in the interest of the company to do this lawsuit based on the provision of Article (79) of the Law.
4. The lawsuit must be based on a valid basis.

## Chapter 9: Termination and liquidation of the company

### Article 48: Termination of the Company:

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Upon the expiry of its term, the company enters into termination and retains the legal personality to the extent necessary for liquidation. The voluntary liquidation decision is issued by the General Association's extraordinary. The liquidation decision shall include the appointment of the liquidator, the determination of his powers, his fees, the restrictions imposed on his powers, and the time period required for liquidation. The period of voluntary liquidation shall not exceed 5 years and may not be extended for more than that except by a judicial order. The authority of the company's board of directors ends with the termination of the company. However, they remain in charge of the company's management and acquire the status of liquidators until the liquidator is appointed. Shareholders' Association's shall remain in place during the liquidation period, and their role is limited to exercising their competencies that do not conflict with the competencies of the liquidator.


## Chapter 10: Final Provisions

### Article 49:

In all that is not provided for in these Regulations, the Companies' Law and Regulations shall apply to them.

### Article 50:

This Regulations shall be deposited and published in accordance with the provisions of the Companies Regulations.

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