

Article of Association Saudi Chemical Holding Co. Saudi Joint Stock Company

Chapter One: Incorporation of the Company

Article (1): Incorporation:

The Company incorporated in accordance with the Companies Act and its rules and regulations, as a Saudi joint stock company according to the following:

Article (2): Company Name:

Saudi Chemical Holding Company – (Saudi Joint Stock Company).

Article (3): Purpose of the Company:

The company performs the following activities:

- a. Managing its subsidiaries or participating in managing other companies in which it shares, and providing them with the required and necessary support.
- b. Investing its capital in stocks markets and other securities.
- c. Owning the real estate, assets and movables necessary to conduct its business activities.
- d. Providing loans, guarantees and financing to its subsidiaries.
- e. Acquiring industrial property rights, patents, commercial trademarks, industrial trademarks, franchising rights and other business rights, using them and leasing them to its subsidiaries or to others.
- f. Any other legitimate purpose.

The Company carries out its activities in accordance with the established rules, laws and regulations, and after obtaining the necessary licenses and permits from the competent authorities, if any. The subsidiaries may not obtain shares in the company, and any act would transfer the ownership of the shares from the Company to the subsidiary is considered void and null.

Article (4): Participation and Acquiring in Companies:

The Company may participate in other companies with ownership rate that enables control with ownership or in management, and has the capacity to form joint stock or limited liabilities companies after fulfilling all the legal and official requirements, provided that the capital is not less than five (5) million Saudi Riyals.

Article (5): The Main Office (Headquarter):

The main office is located in Riyadh, KSA and with the approval of the Board of Directors, the Company may open branches, offices, agencies internal or external outside the Kingdom of Saudi Arabia.

Article (6): Duration of the Company:

The term of the Company is five (5) calendar years, starting from the approval of transfer following the resolution of the Minister of Commerce, and the duration may be extended with the approval of the General Assembly with special quorum, minimum one (1) year before the expiry of the current term.

Chapter Two – Capital and Shares

Article (7): The Capital:

The capital of the company was set on SR. 843,200,000.00 (Only eight hundred forty-three million and two hundred thousand Saudi Riyals) divided into 84,320,000 shares (eighty-four million three hundred twenty thousand shares) of equal value, and the nominal value of each share is SR. 10 (Only Saudi riyals) as ordinary shares.

Article (8): IPO of Shares:

The founders paid the entire shares value, fully paid up share capital.

Article (9): Preferred Stock

The extraordinary General Assembly of the company, in accordance with the regulations set by the competent authority, may issue preferred stock, decide to buy them, convert ordinary shares into preferred stock, or convert preferred stock into ordinary shares. The preferred stock are not given the right to vote and the mentioned shares are arranged for their owners, in addition to the right to participate in the net profits. The net payable to ordinary shares includes:

- a. The right to obtain a certain percentage of the net profits of not less than 5% of the share nominal value, after retention of the statutory reserve and before any distribution of the company's profits.
- b. Priority in recovering the value of their shares from the capital upon liquidation of the company, and in obtaining a certain percentage in the liquidation outcome.

The company may buy these shares as decided by the ordinary General Assembly of the shareholders, and these shares are not considered in calculating the required quorum for the Company's General Assembly stipulated in Articles (30 - 33) of this Act.

Article (10): Sale of Unpaid Shares

If the shareholder fails to pay the value of the share on the due dates, the Board of Directors may, after notifying the shareholder in writing via a registered mail to his permanent address as registered in the shareholders register, may sell the share in a public auction, however, the failure shareholder may pay the shares value in addition to all expense covered by the Company in this regard until the last day for the auction. The company collects from the sale proceeds the due amounts and the rest is returned to the owner of the share, and if the sale proceeds do not meet these amounts, the company may collect the shortage amount from the shareholder's dues or amount, and cancel the bought shares and providing the new buyer with new shares having the canceled share number, and to record the incident in the Shareholders Register.

Article (11): Stock Issuances

Shares remains nominal, and may not be issued at less than their nominal value, but could be issued at a higher value, and in this case the difference in value is added in a separate clause at the shareholders' liabilities, and it is not considered as part of the distributable dividends to the shareholders, and the share is not subject to appropriation against the Company, and if owned by several people they have to assign a representative to manage their share entitlements, and they are jointly responsible regarding any responsibility arising from owning this share.

Article (12): Stock Exchange:

All Company shares are exchangeable after issuing its certificates, publishing the budget, balance sheet and profit and loss account for two fiscal years, each of which is not less than twelve months from the date of issuance of the Ministerial Resolution approving the conversion of the company, and after the approval of the Minister of Commerce these provisions shall apply to all IPOs decided by the shareholders to increase the capital before the expiry of the mentioned banning period. This is for the remaining period of the current term, and shall be indicated in the related documents indicating their types, date of conversion, and the restriction of exchange period. However, it is permissible during the banning period, exchange the cash share from shareholder to another in accordance with entitlement sales terms and conditions, or to a board member to be presented as a guarantee to the management, or from a legal heir of a deceased shareholder to others.

Article (13): Shareholders' Register:

The company's shares are exchanged in accordance with the provisions of the Capital Market regulation.

Article (14): Increasing the Capital:

1. The Extraordinary General Assembly may increase the capital of the company, provided that the capital has been paid in full, and it is not required that the capital to be paid in full, if the unpaid portion of the capital is due to shares issued in exchange for converting debt instruments or financing instruments into shares, and the validity period for converting them into shares is still valid.
2. The extraordinary general assembly may, in all cases, allocate the unguaranteed shares when increasing the capital or a part of it for the Company's employees, affiliates and subsidiaries, in this case shareholders may not exercise the priority rights that reserved when the company issues the shares allocated to employees.
3. The shareholder who owns share at the time when the extraordinary General Assembly approves the capital increase, is having the priority in the subscription to the new shares issued in exchange for cash shares, and shall be notified with their priorities, by publishing the information in a daily gazette, or by informing them by registered mail about the decision to increase the capital, conditions of subscription, duration, starting date and ending date.
4. The General Assembly may suspend the priority right for shareholders to subscribe to the increase in the capital, or to give priority to non-shareholders if deems appropriate for the interest of the company.
5. The shareholder may sell or waive the priority right during the validity period, starting from the extraordinary General Assembly's decision date to increase the capital, to the last date for the process, in accordance with the regulations set by the competent authority.
6. Taking into consideration the provisions of Paragraph (4) here above, the new shares shall be distributed to the holders of priority rights who have requested to subscribe in proportion to the priority rights they own, from the total priority rights resulting from the capital increase, provided that the obtained share does not exceed what they applied for, and the rest of the shares to be distributed to the priority rights holders who applied for more than their share in proportion to the percentage of priority rights they entitled for, from the total priority rights resulting from the capital increase, provided that what they obtain does not exceed what they requested from the new shares, and the

remaining of the shares is offered for others unless the extraordinary General Assembly decides, or the financial market law stipulates otherwise.

Article (15): Capital Reduction:

The Extraordinary General Assembly may decide reducing the capital if it exceeds the company's need, or if the Company encountered losses, and only in the latter case, it is permissible to reduce the capital below the limit stipulated in Article 54 of the Companies Act. The reduction decision is taken only after the issuance of the special report prepared by the auditor on this regard, stating the reasons and justifications for such decision, including the obligations of the company and the impact of the reduction.

If the capital reduction is a result of an increase in the company's needs, the debtors must be invited to express their objection within sixty (60) days from the date of publishing the reduction decision, in a gazette distributed in the area where the Company's head office is located. If one of the debtors submits an objection to the Company on time, the Company shall pay him his debt if it is due, or provide him with a payment guarantee if it is postponed.

Chapter Three: The Board of Directors

Article (16): Company management

The company is managed by a Board of Directors of nine members, appointed by the General Assembly for a period of three (3) years.

Article (17): Expiry of Board Membership:

The Board of Directors membership ends with the expiry of its term, or due to the expiry of the member's validity, in accordance with any Act, law or regulation in force in Saudi Arabia. However, the Ordinary General Assembly may at any time terminate all or some of the members of the Board of Directors, without prejudice to the right of the terminated member for compensation if the dismissal occurred for an unjustified reason or at an inconvenient time, and a member of the Board of Directors may resign his membership, provided that it is at an appropriate time, otherwise he will bear all the consequences and damages resulting from his resignation.

Article (18): Vacant Position in the Board:

If a position of one Board members becomes vacant, the Board of Directors may appoint one member temporarily to fill the vacant position, provided that he enjoy all the required qualifications, skills, experience and capabilities that matching the position, provided that the Board informs the Ministry and the competent authority within (5) five working days from the date of the appointment, and this appointment shall be presented to the Ordinary General Assembly on the upcoming session, and the new member completes the term of his predecessor, if the Board of Directors fail to convene due to incomplete quorum of the Board of Directors as stipulated in the Companies Act. Otherwise the Board members shall call for Ordinary General Assembly within sixty (6) days to elect the missing Board members.

Article (19): Powers of the Board of Directors:

Taking into account the powers established for the General Assembly, the Board of Directors shall have the highest powers in managing the company, by drawing the general policy of the company in order to achieves its objectives and goals, and setting the internal regulations for the company, as well as adopting internal,

financial, administrative and technical regulations, in addition to and employees policies and procedures conducting all necessary activities and transactions, and carrying out all activities and steps that would achieve the set objectives for company's growth and has, for example but not limited to:

- a. The Board of Directors has the right to buy or sell stakes or shares in other companies, and dispose the movables, properties and fixed assets. All the above applies to all other companies that the Company is incorporated them, owns them, participated in or shareholder on them, and the Board has the right to subscribe in the name of the Company in joint-stock companies and receive the profits, attending its general assemblies, delegating proxies for attend and vote on behalf of the Company, and has the right to buy and sell shares for the benefit of the Company, and has the right to open and manage investment portfolios in the name of the Company, or cancel, liquidate or close them, and receive the value of sold shares and their profits, and has the right to lease, rent, collect the rent amounts, handover, settle, issue documents, receives them, presenting guarantees, warranties, documents and appendices that may be necessary to process guarantees and promises.

The Board of Directors also decide opening, managing and closing bank accounts of all kinds, provided that these accounts involve payment or receipt of any usurious interest. And also may apply for checks issuance, LCs, credits, transfers, financial documents and signs them, withdraw and deposit amounts at the Banks, appoint signatories, define or cancel their powers, apply for banking facilities on behalf of the Company or companies in which the company partakes, issue bank guarantees, sign all kinds of contracts, documents and agreements, instruments, papers, documents, checks and all banking transactions necessary for the company's activity and receive and deliver the amounts paid to the company. He has the right to lend the subsidiary companies according to the percentage of the company's participation in them. The Board has the right to accept and give gifts, to issue guarantee letters for any third party if these guarantees serve the interests of the Company, to sign all papers and documents, bills of exchange, bonds and checks and all banking transactions, and the issuance of financial and performance guarantees, and signs Islamic financings, agreements and investment contracts, assignment of rights and benefits, providing financial support and credit facilities for guarantees obtained by any other companies in which the Company owns shares, affiliate, subsidiary or sister companies in which the company contributes and participate in tenders, and may obtain and renew the necessary licenses for the company's business. The Board has the right to form committees, define their rules, powers and coordinate among them in order to expedite the decision on the matters presented to them, and authorize to decide and invest the Company's funds in any manner whatsoever, and to apply for visas, hiring employees from abroad, contracting them, determining their salaries, bonuses, and entitlements granted to them. May issue their resident permits, transfer the sponsorship, issue exit, return and final exit visa, setting the Company's policies in all other matters related to the employees of the Company, amending and issuance of deeds, and issue their duplicate replacement, and the Board has the right to hire the CEOs for the Company with an independent contract, in which the powers, duration and remuneration are determined, and has the right to terminate the contracts. The Board of Directors has the right to appoint and release the Company's representatives, agents, advisors and consultants, and hire the employees, determine their salaries, remuneration and entitlements, and terminate their employment contracts. The Board of Directors hire and authorizes the executive directors to sign on behalf of the Company and in accordance with the regulations and procedures set by the Board of Directors. And Board may prepare the Company's

business strategies, plans and operating, and the annual budget, and set a management mandate the administer and organizes the work mechanism in the Company, and its relations internally and externally with others, also has the right to establish other companies fully owned by the Company inside or outside Saudi Arabia, or to join with others in establishing companies inside or outside the Kingdom, and to guarantee, finance and provide guarantees for these companies, or withdraw from them and sell the company's shares in these companies, or buy new stakes in them or established companies, or increase or reduce its capital, whether the company contributed to the increase or not, receive the profits and vote on behalf of the company on decisions or increase or decrease its value, whether the company contributed to the increase or not, receiving the profits, voting on behalf of the Company on taking decisions and resolutions by partners or shareholders' assemblies, and founding assemblies, and signing all decisions and resolutions on behalf of the Company and shareholders, and make any amendment to the Article of Associations of these companies, regardless of the type of the amendments, and sign the meeting minutes in these companies, which are necessary for the enforcement of these amendments, and sign decisions to appoint or dismiss directors in these companies, carry out all works and take all necessary measures for obtaining the required registrations, permits and licenses for these Companies and receives them.

The Board of Directors also has the right to prepare and deliver and participate in bids, provide guarantees, and clears the company's goods at customs, receive them, submit requests and required data, sign them, receive mails, conclude lease contracts, insurances for Company's property, prepare financial statements, profit and loss accounts, and facilitate all the required to comply with any new law or regulation or amending an existing ones, regulations or instructions from the competent authorities, opening braches for the Company, appointing its managers and dismissing them. The Board of Director, and within its responsibilities, may authorize one or more members from the Board or from others, to carry out a specific work or tasks, and the Board has the right to delegate the same to others and to authorize other to grant these powers in full or part.

- b. The Board of Directors has the right to buy, accept, pay the price, mortgage, redeems it, sell, release, receive the price, and handover. Provided that the minutes of the Board of Directors shall includes the reasons and justifications for decisions to dispose the assets, property and real estate of the Company, considering the following conditions:
 1. That the Board shall specify the reasons and justifications for disposal decision.
 2. That the sale price is closer to the common market price.
 3. That the sale is in cash, except in cases of adequate guarantees.
 4. That the sale does not negatively affects the company's activities or impose obligations.

The Board of Directors may also signs contracts for loans with funds and government financing institutions, regardless of their duration, and commercial loans whose terms do not exceed the end of the term of the company, subject to the following conditions for the contracts with terms exceed three years:

1. The loans value that the Board may enter into during the fiscal year not exceed 50% of the Capital.
2. The Board of Directors shall specify the uses of the loan and the method of repayment.
3. To take into account the conditions of the loan and the required guarantees, and shall not endangers the Company and its shareholders, and the general guarantees for creditors.

The Board of Directors shall also have the power to settle, waive, assigns, contract, commits and associate on behalf of the Company, and the Board of Directors shall carry out all actions and steps that would help achieving the objectives of the company.

The Board of Directors may delegate or authorize, within the limits of its power, one or more of its members, or external expert to take the appropriate and specific procedure or performing a specific tasks.

- c. The Board of Directors may release the company's debtors from their liabilities, for the benefits and interest of the Company, provided that the meeting minutes for taking such decision shall include all the supporting justifications and reasons considering the following conditions:

1. The release should be after one full year since the dept was established.
2. The release shall be for a specified amount, as a maximum, for each year per debtor.
3. The release is a right to be performed by the Board only and may not be delegated.

The Board has the right to do what is stipulated in Article (4) of this Article of Association, as it has the right to sell the Company's properties, subscriptions, shares or stakes in the capital of other companies. The Board of Directors calls the General Assembly, executes its resolutions and all the required works for the benefits of the company and within the limits of its powers. The Board organizes the accounts, balance sheet and profit and loss account every year, and provide the report about the company's status and proposes the profits and dividends to be distributed.

Article (20): Remunerations of Board Members:

Board remuneration consists of a certain amount, set for the attendance of meetings, allowances, benefits in kind, or a certain percentage of net profits, and it is permissible to combine two or more of these benefits in accordance with what stipulated in the Companies Act and its regulations.

In the event that the remuneration includes a certain percentage of the company's profits subject to Article (76) of the Companies Act, and Paragraph (5) of Article (45) of this Articles of Association, this percentage may not exceed 10% of the net profits, after deducting the statutory reserve, and the regular agreed reserve – if any, and distribution of 5% at least of the paid-up capital to the shareholders, provided that this entitlement or bonus is proportional to the number of sessions and meetings attended by the member, and any contrary to that is considered void and illegal.

The report of the Board of Directors to the Ordinary General Assembly shall include a comprehensive statement covers all the remuneration, attendance, session allowances and other benefits and expenses that the board members received during the fiscal year. The aforementioned report also includes a statement of what board members received as employees or administrators, or even what they've received in return for technical, administrative or consulting works. It should also include a statement of the number of councils and 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 a chairman, vice-chairman, and may appoint a managing director from the board members. It is not allowed to combine the position of the Board Chairman with any executive position in the Company, as well as it is not allowed for one member to have two positions, as a Chairman and as a Managing Director, and it is not permissible for one member to have two positions; as a vice-Chairman and the

Managing Director. The Board of Directors shall appoint the CEO/General Manager for the Company from its members or from outside, and decide the rules, responsibilities and remunerations for the position.

The CEO/General Manager may attend the Board of Directors meetings without having the right to vote if is not member of the Board. The Chairman of the board has the authority to represent the Company before the courts of law, arbitration bodies and others, and has the power to authorize others for claims, defend and plead on behalf of the company, and the power to sign on the Company's behalf.

And signs contracts, arrangements, obligations, and everything that helps facilitating the company's works, and all that is entrusted to the board of directors. And as stipulated in the Companies Act. The Chairman may, with written consent, delegate some of his powers to other members of the Board or others, to carry out specific work or tasks, and he also has the right to assign others in all or some of his powers, and he has the right to grant authorization and delegate others.

The Vice-Chairman may replace the Chairman of the Board of Directors in his absence, and the Managing Director is also competent to carry out what is entrusted to him by the Board of Directors, the Chairman or the Vice Chairman, and to sign on behalf of the Company. The Board of Directors shall determine the remuneration that each of them shall receive in addition to the remuneration determined according to the two Articles (20 - 44) herein. And within the limits of what is stipulated in the Companies Act and its regulations, the Board of Directors shall appoint the Secretary among its members, or from outside.

The Secretary is responsible for recording the Board of Director's deliberations, meetings and resolutions in the minutes and recording them in the special register, and shall maintain this record properly. And the remuneration is determined by the Chairman of the Board of Directors. The term of the Chairman, the Vice Chairman, the Managing Director and the board member Secretary, shall not exceed the term of each of them in the Board of Director office, and they may be re-elected, and the board at any time may release all of them or any of them without prejudice to their compensation if the dismissal occurs for an unjustified reason or at an earlier not appropriate time.

Article (22): Board of Directors Meetings:

The Board of Directors shall meet at least twice a year at the invitation of its Chairman, and the invitation shall be by telegram, registered mail, official letter, or via any modern technology, at least 15 days before the date set for the meeting, unless all members agree on a shorter date. The Chairman of the Board of Directors may invite for a meeting whenever two members requested to have the meeting.

Article (23): The Quorum of the Board Meeting

A Board of Directors meeting is not considered valid unless it is attended by at least five members, provided that the number of attendees is not less than three members in person, and in the event that a board member delegates another member to attend board meetings, the delegation must be in accordance with the following conditions:

- a. It is not permissible for a member of the Board of Directors to act on behalf of more than one member in attending the meeting.
- b. The delegation must be in writing (e-mails are allowed).
- c. The vice-Chairman may not vote on decisions prohibited for delegate to vote in, in accordance with law and regulations.

Board of Directors Resolutions are issued by the simple majority of the attendees or representatives. And if the votes are equal, the Chairman of the meeting will prevail. Board of Directors meetings may be held using modern technology and conference calls.

Article (24): Board of Directors Deliberations:

The deliberations and resolutions passed by the board of directors are confirmed in the meeting minutes signed by the Chairman, the attending members of the Board of Directors, and the Secretary, and these minutes are recorded in a special register signed by the Chairman of the Board of Directors and the Secretary.

Chapter Four: Shareholders' General Assembly

Article (25): Attending General Assembly

Every subscriber, regardless of the number of his shares, has the right to attend the General Assembly, and every shareholder has the right to attend the general assemblies of shareholders, and in this regard he has the right to delegate another person other than members of the board of directors or company employees to attend the General Assembly on his behalf.

Article (26): Ordinary General Assembly:

Other than the things reserved for the extraordinary general assembly, the ordinary general assembly is concerned with all matters related to the company, and it convenes at least once a year during the six months following the end of the company's fiscal year, and other ordinary assemblies may be invited whenever the need arises.

Article (27): Extraordinary General Assembly

The Extraordinary General Assembly shall have the authority to amend the articles of association, with the exception of matters that it is prohibited in accordance with the applicable law. It may issue resolutions on matters originally within the jurisdiction of the Ordinary General Assembly, under the same terms and conditions as the Ordinary General Assembly.

Article (28): Inviting the Assemblies

The general or extraordinary assemblies of the shareholders shall convene at the invitation of the board of directors according to the conditions stipulated in this Article of Association, and the board of directors shall call the ordinary general assembly to convene if requested by the auditor, the audit committee, or a number of shareholders representing at least five percent of the capital. The Auditor may call for the General Assembly to convene if the Board of Directors does not invite the General Assembly within thirty days from the date of the auditor's request.

The invitation to the General Assembly is published in a daily gazette, which is distributed in the company's headquarters area at least twenty-one days before the date set for the assembly. However, it is permissible to invite for the aforementioned date all the shareholders by registered mails, a copy of which and the agenda is sent to the Ministry of Commerce and the Financial Market Authority, within the specified period for publication.

Article (29): Register of General Assembly:

The shareholders who wish to attend the general assembly register their names at the Main Office of the Company or at the place specified by the Company prior to the time fixed for the assembly.

Article (3): Quorum for the Ordinary General Assembly:

The Ordinary General Assembly meeting is not valid unless attended by shareholders representing at least a quarter of the capital, and if the quorum required for holding this meeting is not available, the second meeting will be held one hour after the end of the period specified for the first meeting, provided that the invitation to the first meeting includes what indicates the announcement of the possibility of holding this meeting. In the event that the first invitation does not include the possibility of holding the second meeting, the invitation to a second meeting to be held within the thirty days following the previous meeting, and this invitation shall be published in the manner stipulated in Article (28) of this Article of Association. In all cases, the second meeting considered valid regardless of the number of shares represented is attending .

Article (31): Quorum for the Extraordinary General Assembly:

The meeting of the Extraordinary General Assembly is not valid unless attended by shareholders representing half of the capital. If this quorum is not available in the first meeting, the second meeting will be held one hour after the end of the period specified for the first meeting, provided that the invitation to the first meeting includes an announcement of the possibility of having this the meeting. In the event that the first invitation does not include the possibility of having the second meeting, the invitation will be circulated for a second meeting, and to be in the same conditions stipulated in Article (28).

In all cases, the second meeting will be valid if attended by a number of shareholders representing at least a quarter of the capital, and if the necessary quorum is not available at the second meeting, an invitation is sent to a third meeting to be held in the same conditions stipulated in Article (28) of this Article of Association, and the third meeting will be valid regardless of the number of the attending shares, after the approval of the competent authority.

Article (32): Voting in the General Assemblies:

One vote for every share represents in the Constituent Assembly, and every shareholder has a vote for every share he represents in the General Assemblies. The cumulative vote is used to elect the board of directors.

Article (33): Resolutions of Associations

Resolutions in the Constituent Assembly are issued by an absolute majority of shares, and resolutions of the Ordinary General Assembly are issued by an absolute majority of the shares represented in the meeting. The Extraordinary General Assembly's resolutions are also issued by a two-thirds majority of the shares represented at the meeting, unless the resolution is related to an increase or decrease of the capital, extension of the term of the Company, or its dissolution before the expiration of the period, as specified in its Articles of Association, or to merge the company into other company or in another institution, the Resolution will not be valid unless it is issued by a majority of three quarters of the represented shares at the meeting.

Article (34): Discussion in the Assemblies

Every shareholder has the right to discuss the topics on the assembly's agenda, and to direct questions about them to the members of the Board of Directors and to the auditor, and the Board of Directors or the auditor shall answers the shareholders' questions to the extent that they do not compromise the interest of the Company. If the shareholder is not convinced with the reply for the question shall place the matter to the Assembly to decide, and its final decision.

Article (35): Chairman of the General Assemblies and Minutes Preparation:

The meeting of the general assembly of shareholders is headed by the Chairman of the Board of Directors or by Vice Chairman in the absence of the Chairman, or by whoever is delegated by the Board of Directors from the members of the Board, in case of absence of the chairman and vice chairman, the Chairman appoints a Secretary for the meeting, who counts votes, prepare the meeting minutes, record the resolutions, the records includes the number of shareholders present or representatives and the number of possessed shares by original or by proxy, the number of votes for them, decisions taken, the number of votes agreed to, or disagreed with, and a comprehensive summary of the discussions that took place in the meeting, and the minutes are recorded regularly, after each meeting in a special record signed by the Chairman of the General Assembly, the Secretary and votes counter.

Chapter Five: The Auditing Committee

Article (36): Formation of the Committee:

Formed by a resolution issued by the Ordinary General Assembly, and may not include executive board members, whether from the shareholders or not, and the number of its members is not less than three and not more than five, and the resolution specify the roles, function and, work controls and the remuneration of its members are specified in the resolution.

Article (37): Quorum of the Committee Meeting:

The audit committee meeting is considered valid with the attendance of the simple majority of its members, and its decisions are issued by the majority of the present votes /members.

Article (38): Functions of the Committee:

The audit committee is responsible for monitoring the company's business, and for this purpose it has the right to view its records and documents and request any clarification or statement from the members of the Board of Directors or the executive management, and it may request the Board of Directors to call General Assembly of the company to convene if the board of directors impeded its work or the Company encountered damaged or huge losses.

Article (39): Committee Reports:

The audit committee must review the financial statements of the company, the reports and notes provided 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 internal control system applied in the Company, and the other activities involved in that fall within the scope of its responsibilities, and the Board of Directors shall deposit sufficient copies of this report in

the company's head office twenty one days at least before the date of the General Assembly to provide each shareholder with a copy and read the report During the General Assembly.

Chapter Six: The Auditor

Article (40): Appointment of the Auditor:

The company shall have one or more auditors authorized to work in Saudi Arabia, who appointed by the General Assembly annually, and determines the remuneration, and may reappoint the same Auditor in accordance with the instructions, and the shareholders have appointed Al Jareed Office and Co. (Chartered Accountants) to audit the accounts of the first fiscal year, after the transformation

Article (41): Powers of the Auditor:

The auditor has the right to inspect the company's books, records and other documents at all times, and has the right to request the data and clarifications that deems necessary to obtain, and also has the right to verify the company's assets and liabilities. The auditor must submit to the annual General Assembly a report that include the company's position enables him to obtain the data and clarifications he requested, and what has found considered violations of the Companies Act, or the provisions of this Article of Association, and opinions on the extent to which the Company's accounts conform to reality.

Chapter Seven: Company Accounts and Dividends Distribution

Article (42): The Fiscal Year

The company's fiscal year starts from January 1st up to December 31st of every Gregorian year, provided that the fiscal period following this amendment is transitional, and starts from 10/10/1422H, corresponding to 26/03/2001, up to 16/10/1422H, corresponding to 31/12/2001. And the fiscal year is a twelve (12) months then after.

Article (43): Financial Documents:

1. The Board of Directors at the end of each fiscal year shall prepare the company's financial statements and a report, about the company's activity, its financial position for the past fiscal year, and compile this report with the proposed method for profits distribution, and the Board of Directors places these documents at the disposal of the auditor, at least forty-five (45) days before the General Assembly.
2. The Chairman of the Board of Directors, the CEO, and Financial Manager shall sign the documents referred to in Paragraph (1) of this Article, and copies of the documents be deposited in the company's head office at the shareholders 'disposal at least twenty one (21) days prior to the date set for the General Assembly.
3. The Chairman of the Board of Directors shall provide the shareholders with the financial statements, report of the board of directors, and the auditor's report, unless it is published in a daily gazette distributed in the Main Office area, and shall also send a copy of these documents to the Ministry of Commerce and the Financial Market Authority, at least fifteen (15) days prior to the date of the General Assembly.

Article (44): Distribution of Dividends

The annual net profits are distributed as follows:

1. 10% of the net profits is retained to form the statutory reserve of the company, and the Ordinary General Assembly may stop this retention whenever the accumulated amount exceeds 30% of the capital.
2. The Ordinary General Assembly is based on the proposal of the Board of Directors may reserve an amount from the net profits to form a general or agreement reserve, and to be allocated for facing any circumstances may negatively impact the Company in the future.
3. The Ordinary General Assembly may decide to create other reserves to the extent that it serves the interest of the Company, or ensures that fixed profits are distributed as much as possible to the shareholders. The Ordinary General Assembly may also decide to deduct from the net profits amounts to establish social institutions for the company's employees or to support what may deems to be necessary according to these institutions.
4. 5% of the remaining company's paid-up capital shall be distributed to the shareholders.
5. Considering the provisions in Article (20) of this Article of Association, and Article (76) of the Companies Act. A percentage not exceeding 10% of the remainder shall be allocated to the remunerate the Board of Directors, provided that the entitlement of this remuneration is proportional to the number of sessions attended by the member.
6. The company may distribute interim profits to its shareholders quarterly or biannually, provided that the Ordinary General Assembly authorizes the Board of Directors to distribute interim profits according to a decision taken annually in accordance with the regulations imposed by the competent authority.

Article (45): Entitlement of Dividends:

The shareholder is entitled to his share in the profits in accordance with the General Assembly resolution issued in this regard, and the resolution shall specify the due date and distribution date, and eligibility for dividends shall be for shareholders registered in the Shareholders Register at the end of the day specified for the entitlement.

Article (46): Dividends for Preferred Shares:

1. If dividends have not been distributed in any fiscal year, it is not allowed to distribute dividends in the following years, unless paying the due percentage in accordance with the provisions of Article 114 of the Companies Act, for the preferred shares holders in that year.
2. If the company fails to pay the due percentage in accordance with the provisions of Article 114 of the Companies Act for a period of three (3) consecutive years, the special assembly of preferred shares holders is held in accordance with the provisions of Article 89 of the Companies Act, and it may decide whether continue attending the company's General Assembly meetings and participate in voting process, or appointing their representatives in the Board of Directors in proportion to the value of their shares in the capital, until the Company pays all the due dividends for the owners of these shares for the previous years.

Article (47): Company's Losses:

1. If the company's losses reach half of the paid-up capital at any given time during the year, any shareholder in the company, or the auditor shall immediately notify the Chairman of the Board of Directors, and the Chairman immediately informs the board members about the situation, and the

Board of Directors shall within fifteen (15) days after being aware of the situation, shall invite the Extraordinary General Assembly to meet within forty-five (45) days from the date of knowing the losses, to decide either to increase or decrease the Company's capital in accordance with the provisions of the Companies Act, to the extent that the percentage of losses decreases to be less than half of the paid-up capital, or dissolve the company before its expiry date according to Article (6) of this Article of Association.

2. The company shall be deemed terminated by default if the General Assembly does not meet during the period specified in Paragraph (1) of this Article, or in case of failure to issue a resolution and decide accordingly, or if it decides to increase the capital according to the conditions stipulated in this article, and the subscription has not been made for capital increase within ninety (90) days from the issuance of the Assembly's resolution to increase the capital.

Chapter Eight: Disputes

Article (48): Liability Claim

Every shareholder has the right to file a lawsuit for the liability of the company against the members of the Board of Directors, if they created a mistake that cause special harm, and the shareholder may not file the lawsuit unless the company's right to file it is still valid. The shareholder must notify the Company of his intention to file a lawsuit.

Chapter Nine: Dissolution and Liquidation of the Company

Article (49): Termination of the Company

As soon as the company expires, the company enters the role of liquidation and maintains the legal entity for the decisions required for liquidation. The voluntary liquidation decision is issued by the Extraordinary General Assembly. The liquidation decision must include the appointment of the liquidator, specifying his powers and fees, restrictions imposed on his powers and the time required for liquidation. The voluntary liquidation period must not exceed five (5) years, and it is not extendable for more than that period except by a court order, and the authority of the company's Board of Directors ends with its dissolution. Nevertheless, they remain in power managing the Company, and are considered for others as liquidators until the liquidator is appointed. Shareholders Assemblies remain in place during the liquidation period, and their role is limited to exercising their responsibilities that do not conflict with the responsibility of the liquidator.

Chapter Ten: Final Provisions

Article (50): The Companies Act and its regulations are applied in all that is not stipulated in this system.

Article (51): This Article of Association is written and published according to the provisions of the Companies Act and its regulations.