

**Articles of Association
of
Naqi Water Company
Listed joint stock company**

Chapter One: Transformation of the Company

Article (01): Transformation

In accordance with this AOA, and the provisions of the Companies Law issued by Royal Decree No. M / dated 28.01.1437 corresponding to 10.11.2015 and its regulations, (Naqi Water Company) a limited liability company registered in the Commercial Register in Unaizah Governorate No. (1128-18184) on 27.06.1435 corresponding to 26.04.2014 from a limited liability company to a closed Saudi joint stock company, on 17.01.1444 corresponding to 15.08.2022, from a closed Saudi joint stock company to a listed Saudi joint stock company according to the following:

Article (02): Company's name

(Naqi Water Company), Listed joint stock company

Article (03): Company objectives

The company is engaged in the following activities, and implementing the following objectives:

- 1. Manufacturing industries.*
- 2. Transportation and warehousing.*
- 3. Wholesale and retail trade, repair of motor vehicles and motorcycles.*
- 4. Trading.*
- 5. Industry, mining and recycling (beverages industry).*

The company carries out these activities in accordance with the applicable regulations, and after obtaining the necessary licenses from the competent authorities, if any.

Article (04): Participation or merging in other companies

The company may incorporate companies on its own (with limited liability or closed joint stock) in accordance with the Companies Law, and it may also own shares and shares in other existing companies or merge with them, and it has the right to participate with others in the establishment of joint stock or limited liability companies, after fulfilling the It is required by the regulations and instructions followed in this regard. The company may also dispose of these shares, provided that this does not include mediation in their trading. The company may also own movable and immovable assets, sell, buy and lease them.

Article (05): Company's main office

The company's main office is located in Unaizah, Kingdom of Saudi Arabia. It may establish branches, other offices or agencies inside or outside the Kingdom of Saudi Arabia by a decision of the Board of Directors.

Article (06): Company's duration

The duration of the company is (99) ninety-nine Hijri years, starting from the date of the decision of the Minister of Commerce announcing the company transformation, and it is always permissible to extend the company's duration by a decision issued by the extraordinary general assembly at least one year before the expiry of its duration.

Chapter Two: Capital and Shares

Article (07): Capital

The company's capital is set at two hundred million Saudi riyals (200,000,000) divided into twenty million shares (20,000,000) the nominal value of each of which is ten Saudi riyals (10) all of which are ordinary shares.

Article (08): Subscription in shares

The partners subscribed to the entire capital of twenty million shares (20,000,000) paid in full, with a total value of two hundred million Saudi riyals (200,000,000).

The partners acknowledge their joint responsibility in their own funds towards third parties that the company's capital has been fully paid before the transformation.

Article (09): Sale of undervalued shares

The shareholder is obligated to pay the value of the share on the dates specified, and if he fails to pay on the due date, the Board of Directors may, after notifying him by e-mail, or informing him by a registered letter, sell the share in the public auction or the stock market, as the case may be, in accordance with the controls determined by the competent authority.

The company collects from the proceeds of the sale the sums due to it and returns the remainder to the owner of the share.

If the proceeds of the sale are not sufficient to meet these amounts, the company may collect the remainder from all the shareholder's funds. However, the shareholder who fails to pay until the day of the sale may pay the value due in addition to the expenses incurred by the company in this regard. The company shall cancel the sold share in accordance with the provisions of this article, and shall give the

purchaser a new share bearing the number of the canceled share, and shall indicate in the share register that the sale has taken place, indicating the name of the new owner.

Article (10): Issuance of shares

Shares shall be nominal, and may not be issued for less than their nominal value, but shares may be issued for a higher than this value. In this latter case, the difference in value shall be added in a separate item within the shareholders' equity, and it shall not be distributed as dividends to the shareholders. The share is indivisible against the company. If the share is owned by several persons, they must choose one of them to act on their behalf in the use of the rights associated with this share, and these persons are jointly liable for the obligations arising from the ownership of the share.

Article (11): Shares' certificates

The company issues share certificates so that they have serial numbers and are signed by the chairman of the company's board of directors, or whomever he authorizes from among the members of the board of directors, and are stamped with the company's seal, and include the share in particular, the number and date of the ministerial decision authorizing the transformation of the company, the number and date of the ministerial decision announcing the transformation of the company, the nominal share value, the amount paid from it, the purpose of the company in short, its main office, and its duration. Shares may have coupons with serial numbers and include the share number attached to it.

Article (12): Share trading

Shares subscribed to by the founders may not be traded except after publishing the financial statements for two financial years, each of which is not less than twelve months from the date of the company's incorporation. The deeds of these shares shall be marked with an indication of their type, date of establishment of the company and the period during which trading is prohibited.

However, during the prohibition period, ownership of shares may be transferred in accordance with the provisions of selling rights from one shareholder to another shareholder, or from the heirs of a shareholder to third parties in the event of his death, or in the event of execution on the funds of an insolvent or bankrupt of the shareholder, provided that the priority of owning those shares is given to other shareholders. The provisions of this Article shall apply to what shareholders subscribe to in the event of capital increase before the expiry of the prohibition period.

Article (13): Shareholder register

The shares of the company shall be traded through entry in the register of shareholders prepared or contracted to be prepared by the company, which shall include the names of the shareholders, their nationalities, places of residence, professions, numbers of shares and the amount paid thereof, and the

share shall be marked in this entry. The transfer of ownership of the nominal share against the company or third parties shall be not valid except from the date of entry in the said register.

Article (14): Capital increase

1. *The Extraordinary General Assembly may decide to increase the company's capital, provided that the capital is paid in full. It is not required that the capital be fully paid 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 specified for converting them into shares has not expired.*
2. *In all cases, the extraordinary general assembly may allocate the shares issued upon capital increase or part thereof to the employees of the company and all or some of its subsidiaries, or any of that. Shareholders may not exercise the priority right when the company issues shares allocated to employees.*
3. *The shareholder who owns the share at the time of issuance of the decision of the Extraordinary General Assembly approving the capital increase shall have the priority to subscribe to the new shares that are issued in exchange for cash shares, and they shall be notified of their priority by publishing in a daily newspaper or by informing them by registered mail of the decision to increase the capital, the conditions of subscription, its duration, and its start and end dates.*
4. *The Extraordinary General Assembly has the right to suspend the priority right of shareholders to subscribe to the capital increase in exchange for cash shares, or to give priority to non-shareholders in cases it deems appropriate for the interest of the company.*
5. *The shareholder has the right to sell or waive the priority right during the period from the time of issuance of the General Assembly's decision approving the capital increase until the last day of subscription in the new shares associated with these rights, in accordance with the controls set by the competent authority.*
6. *Subject to the provisions of the fourth paragraph above, the new shares shall be distributed to holders of priority rights who requested subscription in proportion to what they own of priority rights out of the total priority rights resulting from the capital increase, provided that what they obtain does not exceed what they requested of the new shares. The remainder of the new shares shall be distributed to the holders of priority rights who have requested more than half of their share in proportion to what they own of priority rights out of the total priority rights resulting from the capital increase, provided that what they obtain does not exceed what they requested of the new shares. The remainder of the shares shall be offered to third parties, unless the extraordinary general assembly decides or the financial market system stipulates otherwise.*
7. *The new shares issued as a result of the capital increase may be cash or in-kind, and if there are in-kind shares, the Board of Directors shall take the procedures stipulated in the Companies Law to verify the validity of the estimation of these shares.*

Article (15): Capital Reduction

By a decision of the Extraordinary General Assembly, the capital may be reduced if it exceeds the company's needs or if it suffers losses. In the latter case alone, the capital may be reduced below the limit stipulated in Article (fifty-fourth) of the Companies Law. The reduction decision shall not be issued except after reading 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 a result of it being more than the company's need, the creditors shall be called to express their objections to it within sixty days from the date of publishing the reduction decision in a daily newspaper distributed in the area in which the company's head office 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 it is immediate, or provide him with a sufficient guarantee to pay it if it is deferred.

Article (16): Bonds and instruments

The company may - by a decision of the Extraordinary General Assembly - in accordance with the relevant laws and regulations, issue any type of negotiable debt instruments, whether in Saudi currency or any other currency inside or outside the Kingdom of Saudi Arabia, such as bonds and instruments, in accordance with the provisions of Islamic Sharia. The Extraordinary General Assembly may authorize the Board of Directors to issue these debt instruments, including bonds and instruments, whether in one or more parts or through a series of issues, and according to one or more programs established by the Board of Directors from time to time, and all this at the times and with the amounts and conditions approved by the Board of Directors, and it has the right to take all necessary measures to issue it. The company may also - by a decision of the Extraordinary General Assembly - issue debt instruments or financing instruments that are convertible into shares after the issuance of a decision of the Extraordinary General Assembly specifying the maximum number of shares that may be issued in exchange for those bonds or instruments, whether these bonds or instruments were issued at the same time or through a series of issues, or through one or more programs to issue debt instruments or financing instruments. The Board of Directors - without the need for a new approval from this assembly - issues new shares in exchange for those bonds or instruments whose holders request their transfer immediately after the end of the transfer request period specified for the holders of those bonds or instruments, in accordance with the provisions of Islamic Sharia. The Board shall take the necessary measures to amend the company's articles of association with regard to the number of issued shares and the capital. The Board of Directors shall announce the completion of the procedures for each capital increase in the manner specified in the system for publishing the decisions of the Extraordinary General Assembly.

Chapter Three: Board of Directors

Article (17): Company Management

The company shall be managed by a board of directors consisting of six (6) members elected by the ordinary general assembly of shareholders for a period not exceeding three (3) years. As an exception, the appointment of the first board of directors for a period of five (5) years shall be as follows:

#	Name	Nationality	Title
1	Mr. Amin Abdullah Al-Mallah	Saudi	Chairman of Board of Directors
2	Mr. Saleh Shabab Ateeq, Attrjamy Assalmy	Saudi	Deputy Chairman of the Board
3	Mr. Youssef Mohamed Nasser Al-Faqari	Saudi	Member of the Board of Directors
4	Mr. Abdullah Abdul Rahman Mohamed Al Ridi	Saudi	Member of the Board of Directors
5	Mr. Mustafa Hasballah Hassan Al-Houfi	Saudi	Member of the Board of Directors
6	Mr. Zaid Nihad Ratib Al-Nazir	Saudi	Member of the Board of Directors

Article (18): Expiry of membership in the board of directors

Membership of the Board of Directors ends with the expiry of its term, resignation, death, or the expiration of the member's power in accordance with any law or regulation applicable in the Kingdom of Saudi Arabia. However, the Ordinary General Assembly may at any time dismiss all or some of the members of the Board of Directors, without prejudice to the right of the dismissed member towards the company to claim compensation if the dismissal occurred for an unacceptable reason or at an inappropriate time. A member of the Board of Directors has the right to retire, provided that this is at an appropriate time, otherwise he will be liable by the company for the damages resulting from his retirement.

Article (19): Vacancy position in the board of directors

If there is a vacancy position in the board of directors, the Board of Directors may appoint a replacement for that member in the Board of Directors, without considering the order of votes in the assembly that elected the Board of Directors, provided that he shall be one of those who have experience and sufficiency. The Ministry shall be notified of this regard within five working days from the date of appointment, and the appointment shall be presented to the Ordinary General Assembly at its first meeting, and the new member shall complete the term of his predecessor. If the necessary conditions for the meeting of the Board of Directors are not met because the number of its members is less than the minimum stipulated in the Companies Law or this AOA, the rest of the members shall call the Ordinary General Assembly to convene within sixty days to elect the necessary number of members.

Article (20): Powers of the board of directors

Taking into account the terms of reference of the General Assembly, the Board of Directors shall have the widest powers and authorities in managing the company and conducting its affairs in a way that achieves its objectives, and it may, for example but not be limited to:

- 1. Setting internal regulations and policies for the company.*
- 2. Endorsement of the company's vision, strategies, work plans, and approval of its operational plans and budgets, annual capital budget, and so on.*
- 3. Conclusion, signing and implementation of all contracts and agreements, including without limitation: purchase and sale contracts, leases, rental contracts, agencies, concessions, financial hedging contracts, and other documents, contracts, transactions and deals on behalf of the company, and entering into tenders, bidding, competition, acceptance and rejection of award on its behalf.*
- 4. Dealing in the name of the company with all banks operating in the Kingdom of Saudi Arabia or abroad, opening, managing, operating and closing bank accounts, withdrawing and depositing, issuing bonds and checks and processing them, signing all commercial papers and documents, obtaining loans and other credit facilities that are compatible with Sharia for any period, including loans with a period exceeding three (3) years, from government finance funds and institutions, commercial banks, financial houses or companies and individuals, including the company's shareholders, issuing guarantees and guarantees in favor of any party whatsoever, and concluding all transactions that transfer ownership, including mortgaging all of the company's funds and assets, including stocks, bonds, real estate, lands and buildings, when it is in the interest of the company, and investing and investing the company's funds in any way, establishing, opening, managing and closing portfolios and investment accounts of the company that are compatible with Islamic Sharia in banks and investment companies inside and outside the Kingdom of Saudi Arabia, buying and selling commodities, building materials, land, real estate and the like, and establishing investment fund companies inside and outside the Kingdom of Saudi Arabia, the right to authorize all of this, and to issue promissory notes and other commercial papers, carry out all transactions and conclude all banking agreements and deals, sell, buy or mortgage the company's real estate and assets and discharge the company's debtors from their obligations and indebtedness.*
- 5. Approval of the internal, financial, administrative, technical and control regulations, including the policies and regulations of the company's employees, appointing managers of departments and senior positions, defining their terms of reference, terminating their services and paying their dues, requesting work, exit, return and final exit visas for the company's employees and guarantors, transferring and waiving their sponsorships, managing their affairs in accordance with the laws in force in the Kingdom of Saudi Arabia, appointing those responsible for managing*

the company with experience and competence as deemed necessary by the Board of Directors, and determining their duties and remuneration.

- 6. Delegate those responsible for managing the company the authority to sign on behalf of the company within the limits of the rules set by the Board of Directors.*
- 7. Forming committees and authorizing them with whatever powers the Board of Directors deems appropriate, and coordinating between these committees, with the aim of quickly deciding on matters presented to them.*
- 8. Approving the establishment of subsidiaries, branches, offices and agencies for the company inside and outside the Kingdom of Saudi Arabia and to contribute to any of the companies, in addition to the right to represent the company in signing the founding contracts of the companies in which it participates, and the purchase of shares.*
- 9. Emptying, accepting, determining and receiving the price, and signing in front of the honorable notary public throughout the Kingdom of Saudi Arabia and abroad on any deeds for sale or purchase, as well as issuing clearance licenses, land planning, follow-up and review of municipalities, and requesting cadastral declarations, sign and extract all papers, related documents and contracts, The same applies to the right to appoint experts and arbitrators, to appoint attorneys, to pay their fees and to dismiss them, to authorize or authorize others to perform certain work or actions on behalf of the company, and the right to terminate and cancel proxies and dismiss agents.*
- 10. The Board of Directors may, within the limits of its competence, authorize one or more of its members or others to undertake a specific business or actions. The right to participate in other companies, to dispose of their assets, property and real estate, and the right to purchase, accept and pay the price, mortgage and redeem the mortgage, sell, empty, collect the price and handover the price.*

The Board of Directors has the right to delegate all or some of these powers to one or more parties, as it deems appropriate.

Article (21): Board Members Remuneration

The remuneration of a member of the Board of Directors and all benefits he receives - if any - shall be as estimated by the Ordinary General Assembly in accordance with the decisions and official instructions issued in this regard, and within the limits stipulated in the Companies Law and its regulations. The report of the Board of Directors to the Ordinary General Assembly must include a comprehensive statement of all that the members of the Board of Directors received during the fiscal year in terms of remuneration, expenses and other benefits. It shall also include a statement of what the members of the Board of Directors have received in their capacity as workers or administrators, or what they have received in exchange for technical, administrative or consulting work, and it shall also include a

statement of the number of Board sessions, and the number of sessions attended by each member from the date of the last meeting of the General Assembly.

Article (22): Powers of the Chairman, Vice Chairman and Secretary:

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

The Board of Directors may appoint a CEO for the company from its members or others under an independent contract, and the Board determines in the appointment decision the competencies, responsibilities and remuneration of the CEO and has the right to dismiss him. One member may combine the positions of Managing Director and CEO.

The Chairman of the Board of Directors is responsible for the following:

- 1. Representing the company before third parties and before all courts of all degrees and types, the Notary Public, the Board of Grievances, official agencies and departments, judicial and administrative committees of all types and degrees, labor offices, labor bodies, legal and zakat committees, settlement of banking disputes, primary and higher committees and bodies, other government committees and bodies, the Department of Zakat and Income and the Ministry of Investment, The police, the Public Prosecution, the Court of Execution, the ministries, and before all other committees, individuals, companies, or bodies, whether inside or outside the Kingdom, submitting requests in the name of the company, signing them, notifying them, delivering them, and receiving them from any party, and he has the right to plead, defend, dispute, attend sessions on behalf of the company, and file and hear all lawsuits and claims reconciliation, waiver, admission, denial, answer, wounding, supply of witnesses, data, satisfaction, taking all legal measures to implement the judgments issued in the interest of the company, appointing and dismissing lawyers, claiming the rights of the company with others and receiving them according to certified checks in the name of the company. He has the right to decide whether he is satisfied with the rulings or not, appoint arbitrators, sign arbitration documents, appoint experts, receive and deliver commercial records, licenses and their amendment, judgment instruments, documents, clearances and commercial papers, request the implementation of judgments and decisions, allege forgery, submit terminations and grievances, collect the rights of the company, give clearances in respect of it, fulfill its obligations and pay its debts, and to receive and pay the price, and he has the right to appoint agents and lawyers for the company, issue and terminate powers of attorney, and to authorize one or more of its members or third parties to undertake a specific work or actions, and he has the right to delegate others.*

2. *Inviting the Board to meet, chairing the meetings of the Board of Directors and the meetings of the General Assembly of shareholders, and approving and signing the decisions of the Board of Directors.*
3. *Attending on behalf of the company in the meetings of the general assembly of the companies in which the company contributes or in which it has shares, voting and signing the decisions issued in them. He is also entitled to rent, receive the fare, open subscriptions to the chambers of commerce and establish phones of all shapes and types with the Saudi Telecom Company and other telecommunications companies. Agreement with foreign companies to obtain agencies from them for the company, register them with the competent authorities, register trademarks, and object to registration.*
4. *In addition, the Chairman of the Board shall enjoy other powers that the Board of Directors may specify for him in writing. The Vice-Chairman of the Board of Directors shall replace the Chairman of the Board in his absence.*

The General Assembly of Shareholders shall determine the special remunerations received by the Chairman of the Board and the Managing Director, in addition to the remuneration prescribed for the members of the Board pursuant to Article (21) of this AOA.

The Board of Directors shall appoint a secretary to be chosen from its members or others, and shall be responsible for organizing the meetings and business of the Board, preparing written minutes, keeping their records, preparing correspondence from official and unofficial bodies, and presenting special invitations to attend the Board at the request of the Board. The secretary's remuneration shall be determined by a decision of the Board of Directors, and the term of the Chairman of the Board, his deputy, the managing director, and the secretary, a member of the Board of Directors, shall not exceed the term of membership of each of them in the Board, and they may be re-elected, and the Board may at any time dismiss them or any of them without prejudice to the right of the dismissed to compensation if the dismissal occurred for an illegitimate reason or at an inappropriate time.

Article (23): Board Meetings:

The Board of Directors meets twice a year at the invitation of its chairman. The invitation shall be in writing and may be delivered by hand or sent by post, fax or e-mail, one week prior to the date set for the meeting, unless the members of the Board agree otherwise. The chairman of the board shall invite the council to a meeting when requested by at least two (2) of the members.

Article (24): Quorum of the Board Meetings:

The meeting of the Board shall not be valid unless attended by at least (3) three members in person, and a member of the Board of Directors may delegate other members to attend the meetings of the Board in accordance with the following controls:

- a- A member of the Board of Directors may not represent more than one member in attending the same meeting.
- b- The delegation must be fixed in writing and for a specific meeting.
- c- The deputy may not vote on decisions that the system prohibits the representative from voting on.

The decisions of the board are issued by the majority of the votes of the members present or represented in it, and in the event of equal votes, the side with which the chairman voted will prevail. In urgent matters, the Board of Directors may issue resolutions by circulation by presenting them to all members separately, unless one of the members requests in writing a meeting of the Board to deliberate on it. The decisions of the Board are issued by circulation with the approval of the majority of the members of the Board and are presented to the Board of Directors at its first meeting.

Article (25): Board deliberations:

The deliberations and decisions of the Board of Directors are recorded in minutes signed by the Chairman of the Board, the members of the Board of Directors present, and the Secretary. These minutes are recorded in a special register signed by the Chairman of the Board of Directors and the Secretary.

Chapter four: Shareholders' assemblies

Article (26): Attending assemblies:

Every subscriber, regardless of the number of his shares, has the right to attend the transformational assembly, and every shareholder has the right to attend the general assemblies of shareholders, and he may delegate another person on his behalf who is not a member of the board of directors or employees of the company to attend the general assembly.

Article (27): Transformational assembly:

Shareholders shall invite all subscribers to convene a transformational assembly within forty-five days from the date of the Ministry's decision licensing the transformation of the company. For the meeting to be valid, a number of subscribers representing at least half of the capital must be present. If this quorum is not present, the meeting shall be held an hour after the end of the period specified for the first meeting, provided that the invitation for the first meeting includes that. In all cases, the second meeting shall be valid regardless of the number of subscribers represented therein.

Article (28): Terms of reference of the transformational assembly:

The transformational assembly is concerned with matters mentioned in Article (63) of the Companies Law.

Article (29): Terms of reference of the ordinary assembly:

With the exception of matters related to 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. Other ordinary assemblies may be invited whenever the need arises.

Article (30): Terms of reference of the extraordinary assembly:

The extraordinary general assembly is concerned with amending the company's AOA, with the exception of provisions that it is prohibited from amending by law. It may issue decisions on matters falling within the competence of the ordinary general assembly, with the same terms and conditions prescribed for the ordinary assembly.

Article (31): Assemblies invitation:

The general or special assembly of the shareholders shall convene at the invitation of the Board of Directors. The Board of Directors shall invite the Ordinary General Assembly to convene if requested by the auditor, the audit committee, or a number of shareholders representing at least five percent (5%) of the capital. The auditor may invite the assembly to convene if the board does not invite the assembly within thirty days from the date of the auditor's request.

The invitation to convene the general assembly shall be published in a daily newspaper distributed in the area where the company's head office is located at least twenty-one days prior to the date set for the meeting. However, it may be sufficient to address the invitation within the aforementioned date to all shareholders by registered letters, and the invitation shall include the agenda, and a copy of the invitation and the agenda shall be sent to the Ministry of Commerce within the period specified for publication.

Article (32): Assemblies attendance record:

Shareholders who wish to attend the General Assembly or the Special Assembly shall register their names at the company's main office prior to the time set for the meeting.

Article (33): Quorum of the ordinary general assembly meeting:

The meeting of the Ordinary General Assembly shall not be valid unless it is attended by shareholders representing at least a quarter of the capital. If the necessary quorum for holding this meeting is not available, the second meeting shall be held an hour after the expiry of the period specified for the first meeting, provided that the invitation to hold the first meeting includes what indicates the announcement about the possibility of holding this meeting. If the invitation does not include a reference to the second meeting, the invitation is directed to a second meeting to be held within the thirty days following the date of the first meeting that did not take place, and this invitation is published in the

manner stipulated in Article (31) of this AOA, and in all cases, the second meeting is valid regardless of the number of shares represented in it.

Article (34): Quorum of the extraordinary general assembly meeting:

The meeting of the Extraordinary General Assembly shall not be valid unless shareholders representing at least half of the capital are present, and if this quorum is not present in the first meeting, the second meeting shall be held one hour after the end of the period specified for the first meeting, provided that the invitation to hold the first meeting includes evidence of announcing the possibility of holding this meeting. If the invitation does not include a reference to the second meeting, the invitation shall be directed to a second meeting to be held in the same conditions stipulated in Article (31) of this AOA.

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 necessary quorum is not present in the second meeting, an invitation is sent to a third meeting to be held under the same conditions stipulated in Article (31) of this AOA, and the third meeting will be valid regardless of the number of shares represented in it, after the approval of the competent authority.

Article (35): Voting in assemblies:

Each subscriber has a vote for every share he represents in the transformational assembly, and every shareholder has a vote for every share in the general assemblies. The cumulative vote must be used in electing the board of directors.

Article (36): Assemblies decisions:

Decisions in the transformational assembly are issued by the absolute majority of the shares represented in it, and the decisions of the ordinary general assembly are issued by the absolute majority of the shares represented in the meeting. The decisions of the extraordinary general assembly are also issued by a two-thirds majority of the shares represented in the meeting, unless the decision is related to increasing or decreasing the capital, extending the term of the company, or by dissolving it before the expiry of the period specified in its articles of association, or by merging it with another company, the decision will not be valid unless it is issued by a three-quarters majority of the shares represented at the meeting.

Article (37): Discussions in assemblies:

Each shareholder has the right to discuss the topics on the agenda of the Assembly and direct questions in this regard to the members of the Board of Directors and the auditor. The Board of Directors or the auditor shall answer the questions of the shareholders to the extent that the interest of the company is not harmed. If the shareholder considers that the answer to his question is not convincing, he shall resort to the assembly and its decision in this regard shall be enforceable.

Article (38): Chairing assemblies and preparing minutes:

The general assemblies of shareholders shall be chaired by the Chairman of the Board of Directors or his deputy in his absence or whomever the Board of Directors delegates from its members for that purpose in the absence of the Chairman and his deputy. The chairman appoints a secretary for the meeting and a collector of votes. Minutes of the assembly meeting are written including the number of shareholders present or represented, the number of shares held by them in person or by proxy, the number of votes for them, the decisions taken, the number of votes for approval or disagreement, and an adequate summary of the discussions that took place in the meeting. Minutes are recorded regularly after each meeting in a special register signed by the president of the association, its secretary and the collector of votes.

Chapter five: Review committee

Article (39): Formation of the committee:

By a decision of the Ordinary General Assembly, an audit committee consisting of three non-executive members of the Board of Directors, whether shareholders or others, shall be formed. The decision shall specify the functions of the committee, its work controls, and the remuneration of its members.

Article (40): Committee meeting quorum:

The validity of the Audit Committee meeting requires the attendance of the majority of its members, and its decisions are issued by the majority of the votes of those present.

Article (41): Terms of reference of the committee:

The audit committee is concerned with 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. It may request the Board of Directors to convene the General Assembly of the company if the Board of Directors obstructs its work or if the company suffers serious damage or losses.

Article (42): Committee reports:

The audit committee shall review the company's financial statements, reports and notes submitted by the auditor, and express its views thereon, if any. It shall also prepare a report on its opinion regarding the adequacy of the company's internal control system and the other work it has undertaken within the scope of its competence. The board of directors shall deposit sufficient copies of this report at the company's headquarters at least twenty-one days prior to the date of the general assembly meeting to provide each of the shareholders who desires a copy thereof, and the report shall be read during the meeting.

Chapter six: Account auditor

Article (43): Appointment of the account auditor:

The company shall have one or more auditors from the auditors authorized to work in the Kingdom. The Ordinary General Assembly shall appoint him annually and determine his remuneration and term of its work. The Assembly may re-appoint him, provided that the total term of his appointment does not exceed five consecutive years, and whoever has exhausted this period may be re-appointed after the lapse of two years from the date of its expiry. The assembly may also change it at any time without prejudice to its right to compensation if the change occurred at an inappropriate time or for an illegitimate reason.

Article (44): Account auditor powers:

The auditor has the right at any time to view the company's books, records and other documents, and he may also request data and clarifications that he deems necessary to obtain, in order to verify the company's assets and liabilities and other things 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 record this in a report submitted to the board of directors. If the Board does not facilitate the work of the auditor, he must request the Board of Directors to invite the Ordinary General Assembly to consider the matter.

Chapter seven: Company and dividend

Article (45): Fiscal year:

The company's fiscal year begins on the first of January and ends at the end of December of each year, provided that the first fiscal year begins from the date of its registration in the commercial register as a joint stock company and ends at the end of December of the current year.

Article (46): Fiscal documents:

- a. At the end of the fiscal year, the Board of Directors shall prepare the financial statements of the company, and a report on its activities and its fiscal position for the past fiscal year. This report shall include the proposed method for dividend. The Board shall place these documents at the disposal of the auditor at least forty-five days prior to the date set for the convening of the General Assembly.*
- b. The documents referred to in Paragraph (1) of this Article shall be signed by the chairman of the board of directors of the company, its chief executive officer and financial manager, and copies thereof shall be deposited at the company's head office at the disposal of the shareholders at least twenty-one days prior to the date set for the convening of the general assembly.*

- c. *The chairman of the board of directors shall provide the shareholders with the company's fiscal statements, the report of the board of directors, and the auditor's report, unless they are published in a daily newspaper distributed at the company's headquarters. He shall also send a copy of these documents to the Ministry of Commerce at least fifteen days prior to the meeting of the General Assembly.*

Article (47): Dividend

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

1. *(10%) of the net profits shall be set aside to form a statutory reserve, and the Ordinary General Assembly may stop this set aside when the aforementioned reserve reaches (30%) of the paid-up capital.*
2. *The Ordinary General Assembly may decide to form other reserves to the extent that achieves the interest of the company or guarantees the distribution of fixed profits as much as possible to the shareholders.*
3. *The Ordinary General Assembly, based on a proposal by the Board of Directors, may set aside (5%) of the net profits to form an agreement reserve and allocate it for a specific purpose or purposes decided by the General Assembly.*
4. *The entire remainder of the net profits shall be distributed among the shareholders, unless the Ordinary General Assembly decides otherwise.*

The company may distribute interim profits on a semi-annual or quarterly basis in accordance with the controls determined by the competent authority.

Article (48): Profits entitlement:

The shareholder is entitled to his share in the profits in accordance with the decision of the General Assembly issued in this regard. The decision indicates the date of maturity and the date of distribution. The eligibility for profits shall be for the shareholders registered in the shareholder registers at the end of the day specified for the entitlement.

Article (49): Company losses:

1. *If the losses of the joint-stock company amount to half of the paid-up capital, at any time during the fiscal year, any official in the company or the auditor must immediately inform the chairman of the board of directors upon knowing of that, and the chairman of the board of directors must immediately inform the members of the board of that, and the board of directors must within fifteen days of his knowledge of that, to call the extraordinary general assembly to convene within forty-five days from the date of his knowledge of the losses; to decide either 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-up capital, or to dissolve the company before the deadline specified in the companies law.

2. *The company is considered dissolved by force of the Companies law if the General Assembly does not meet within the period specified in Paragraph (1) of this Article, or if it meets and is unable to issue a decision on the subject, or if it decides to increase the capital in accordance with the conditions prescribed in this Article and not all of the capital increase has been subscribed within ninety days of the issuance of the assembly's decision to increase.*

Chapter eight: Disputes

Article (50): Liability claim:

Each shareholder has the right to file a liability claim against the company against the members of the Board of Directors if the mistake they committed would cause damage to him. The shareholder may not file the aforementioned claim unless the company's right to file it is still valid. The shareholder must inform the company of his intention to file a claim.

Chapter nine: Dissolution and liquidation of the company

Article (51): Expiry of the company

Once the company has expired, it enters the stage of liquidation and retains the legal personality to the extent necessary for liquidation. The voluntary liquidation decision is issued by the Extraordinary General Assembly. The liquidation decision must include the appointment of the liquidator and specify his powers, fees, restrictions imposed on his powers, and the time period required for liquidation. The period of voluntary liquidation shall not exceed five years, and it may not be extended for more than that except by a judicial order, and the authority of the Board of Directors of the company ends with its dissolution. The period of liquidation and its role is limited to exercising its competences that do not conflict with the powers of the liquidator.

Chapter ten: Final provisions

Article (52):

The Companies Law and its regulations shall be applied in everything that is not provided for in this AOA.

Article (53):

This Articles of Association shall be deposited and published in accordance with the provisions of the Companies Law and its regulations.