

HCC Bylaw

Saudi Joint Stock company

Chapter 1 Foundation

Article 1, Foundation

Hail Cement Company was established according to the Companies Law and its Bylaws, registered in the Commercial Register No. 3350026399 and dated 11/24/1431 AH corresponding to 11/30/2010 AD, Ministerial Resolution No. 384 / S was promoted on 11/24/1431 AH corresponding to 11/30/2010 AD

The requirement of industrial licensing year from the General Investment Authority No. 41931098717 dated 09/16/1431 corresponding to 08/26/2010 AD, according to the following terms and conditions.

Article 2, Company Name;

Hail Cement Company (a listed Saudi joint stock company), hereinafter referred to as "the company".

Article 3, Company Purpose;

The purposes for which the company was founded are the manufacture and production of cement, its auxiliaries, its derivatives and components, its trade inside and outside the Kingdom of Saudi Arabia, the management and operation of cement factories of all kinds, and for this purpose it may practice mining and exploitation of quarries and all that enables the company to obtain raw materials for the manufacture of cement such as limestone, Clay, gypsum, iron, kaolin, sand, silica sand ore, and other materials needed for cement industry.

In achieving this purpose, it has the right to conclude all types of contracts, and to carry out all aspects of activities that achieve its objectives such as the practice of transporting cement, raw materials and all materials related to the cement industry. The company carries out its activities according to the followed regulations and after obtaining the necessary licenses from the competent authorities, if any.

Article 4, Participation and ownership of other companies:

The company may establish companies alone with limited liability or closed shareholding regardless of its activity, provided that the capital is not less than five (5) million Saudi riyals, and it may also own shares and stakes in other existing companies or merge with them and have the right to participate with others in establishing Joint-stock companies or limited liability companies, after fulfilling the requirements of the applicable regulations and instructions in this regard. The company may also dispose of these shares or stakes, provided that this does not include mediation in its trading.

Article 5, Company Headquarter;

The head office of the company is located in Hail, Kingdom of Saudi Arabia, and may establish branches, offices or agencies inside or outside the Kingdom by a decision of the Board of Directors.

Article 6, Company Term;

The term of the company is ninety-nine (99) Gregorian years starting from the date of its registration in the Commercial Register, and this period may always be prolonged by a decision issued by the extraordinary general assembly at least one year before the end of its term.

Chapter 2, Capital and Shares

Article 7, Company Capital,

The company's capital was set at nine hundred seventy-nine million (979,000,000) Saudi riyals, divided into ninety-seven million nine hundred thousand (97,900,000) nominal shares of equal value, each of which is worth ten (10) Saudi riyals, all of which are ordinary cash shares.

Article 8, IPO,

The shareholders subscribed in all shares of the company amounting to ninety-seven million nine hundred thousand (97,900,000) shares of nine hundred and seventy-nine million (979,000,000) Saudi riyals, shareholders acknowledged the distribution of all shares.

Article 9, Preferred Shares;

The extraordinary general assembly of the company, according to the principles laid down by the concerned authority, may issue preferred shares, decide to buy them, convert ordinary shares into preferred shares, or convert preferred shares into ordinary shares. Preferred shares do not give the right to vote in the general assemblies of shareholders. These shares arrange for their owners the right to Obtaining a greater percentage of the owners of ordinary shares of the net profits of the company after setting aside the statutory reserve.

Article 10, Selling shares of uneven value;

The shareholder is obligated to pay the value of the share on the dates specified for that, and if he fails to pay the due date, the Board of Directors may, after notifying him by a registered letter to his address fixed in the shareholders' register, sell the share in the public auction or the stock market in accordance with the controls specified by the competent authority.

The company shall collect from the sale proceeds the sums owed to it and return the rest 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 of all the shareholder's funds.

Nevertheless, the shareholder who fails to pay until the day of the sale may pay the value owed on him in addition to the expenses that the company has spent 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 indicates in the stock register the occurrence of the sale with an indication of the name of the new owner.

Article 11, Issuance of Shares

Shares are nominal and may not be issued at less than their nominal value. Rather, they may be issued at a higher value, and in this last case, the difference in value shall be added in a separate item within the shareholders' equity. It may not be distributed as dividends to shareholders. The share is indivisible vis-à-vis the company, so if the share is owned by multiple people, they must choose one of them to act on their behalf to use the rights related to it, and these persons will be jointly responsible for the obligations arising from the ownership of the share.

Article 12, Shares Trading:

a. Shares subscribed by the founders may not be traded except after publishing the financial statements for two fiscal years, each of which is not less than twelve months from the date of incorporation of the company. An indication of the bonds of these shares indicates their type, the date of incorporation of the company, and the period during which it is prohibited to trade them. Nevertheless, during the prohibition period, the ownership of shares may be transferred in accordance with the provisions of the sale of rights from one of the founders to another founder or from the heirs of one of the founders in the event of his death to a third party or in the event of execution on the funds of the insolvent or bankrupt founder, provided that the priority of owning those shares is given to the other founders. The provisions of this article shall apply to what the founders subscribe to in the event of an increase in the capital prior to the expiration of the prohibition period.

B. The company may buy its shares or mortgage them according to controls laid down by the competent authority, and the shares purchased by the company shall not have votes in the shareholders' assemblies. The company may pledge its shares as security for a debt owed by others, in accordance with the controls and procedures laid down by the competent authority. The mortgagee creditor may not attend meetings of the general assembly of shareholders or vote in them. Subscribing to shares or owning them indicates the shareholder's acceptance of the company's articles of association and his commitment to the decisions issued by the shareholders' assemblies in accordance with the provisions of the system and the company's articles of association, whether he was present or absent, and whether he agreed with these decisions or violated them.

Article 13, Register of Shareholders:

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

Article 14, Debt Instruments and Sukuk:

1. The company may issue - in accordance with the Capital Market Law and the provisions of the Companies Law - debt instruments or negotiable financing instruments.

2. The company may not issue debt instruments or financing instruments convertible into shares, except after the issuance of a decision by the extraordinary general assembly specifying

the maximum number of shares that may be issued in exchange for those instruments or sukuk, whether such instruments or sukuk were issued at the time. The same, or through a series of issuances, or through one or more programs to issue debt instruments or financing instruments.

3. The Board of Directors issues, without the need for new approval from the extraordinary general assembly, new shares in exchange for those instruments or instruments whose holders request their conversion, upon the expiry of the transfer request period specified for the holders of those instruments or sukuk. The board shall take the necessary measures to amend the company's articles of association regarding the number of issued shares and the capital.

4. The Board of Directors must month the completion of the procedures for each capital increase in the manner specified in this system for the month of the Extraordinary General Assembly's decisions.

Article 15, Capital Increase:

1. The Extraordinary General Assembly, after the approval of the competent authorities, may decide to increase the company's capital once or several times by issuing new shares with the same nominal value as the original shares, provided that the capital has been fully paid, and it is not required that the capital has been fully paid if it is The unpaid part of the capital refers to shares issued in exchange for converting debt instruments or financing instruments into shares and the period determined for converting them into shares has not yet expired.

2. The extraordinary general assembly in all cases may allocate the shares issued when increasing the capital or part thereof to the employees of the company and its subsidiary companies or some of them, or any of that. Shareholders may not exercise the right of priority when the company issues shares allocated to employees.

3. The company's capital is increased by one of the following methods:

A. Issuance of new shares in exchange for cash or in-kind shares.

B. The issuance of new shares in exchange for the company's specific debts in the amount of the performance status, provided that the issuance is at the value decided by the extraordinary general assembly after seeking the opinion of an expert or licensed evaluator, and after the board of directors and the auditor prepare a statement of the origin and amount of these debts and sign the members of the board Auditors will present this statement, and they will be responsible for its validity.

C. The issuance of new shares in the amount of the reserve that the extraordinary general assembly decides to incorporate into the capital. These shares must be issued in the same form and conditions as the traded shares, and those shares shall be distributed free of charge to the shareholders in proportion to what each of them owns of the original shares.

D. Issuing new shares in exchange for debt instruments or financing instruments.

4. The shareholder who owns the share at the time of the decision of the extraordinary general assembly to approve the increase in the capital, priority in subscribing for new shares issued in exchange for cash shares, and they inform them of their priority by publishing in a daily

newspaper or by informing them through registered mail of the decision to increase the capital, the terms of the subscription, its duration and the date of its commencement And its termination, and each shareholder expresses his desire to use his right of priority within (15) fifteen days from the date of publication.

5. The extraordinary general assembly has the right to suspend the priority right for shareholders to subscribe to an increase in capital in exchange for cash shares or to give priority to non-shareholders in cases it deems appropriate in the interest of the company.

6. The shareholder has the right to sell or relinquish the pre-emption right during the period from the time of issuance of the General Assembly's decision to approve the capital increase to the last day for subscription for new shares related to these rights, in accordance with the controls laid down by the competent authority.

7. Subject to the provisions of Paragraph (5) above, the new shares shall be distributed to the holders of priority rights who requested the subscription, in proportion to the priority rights they own from the total priority rights resulting from the capital increase, provided that what they obtain does not exceed the shares they requested. The rest of the new shares shall be distributed to the holders of priority rights who requested more than their share, in proportion to the priority rights they own from the total priority rights resulting from the capital increase, provided that what they obtain does not exceed what they requested of the new shares, and the remaining shares shall be offered On others, unless the extraordinary general assembly decides or the Capital Market Law stipulates otherwise.

Article 16, Capital Reduction:

1. The extraordinary general assembly may decide to reduce the capital if it exceeds the company's need or if it suffers losses. In the latter case alone, the capital may be reduced to below the limit stipulated in Article 54 of the Companies Law. The reduction decision shall not be issued except after reading a special report prepared by the auditor on the reasons that necessitate it, the obligations of the company, and the impact of the reduction on these obligations.

2. If the capital reduction is a result of an increase in the company's need, creditors must be called upon to express their objections to it within sixty days from the date of publishing the reduction decision in a daily newspaper distributed in the region where 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 due or provide him with a guarantee sufficient to pay it if it is later.

3. The capital is reduced in one of the following ways:

a. Cancellation of a number of shares equal to the amount required to be reduced.

B. The company's purchase of a number of its shares is equivalent to the amount required to be reduced, and then canceled.

4. If the capital reduction is by canceling a number of shares, equality among the shareholders must be taken into consideration, and they must present to the company - within the time specified - the shares that have been decided to cancel, otherwise it is considered canceled.
5. If the capital reduction is by purchasing a number of the company's shares in order to cancel them, shareholders must be invited to offer their shares for sale, and this invitation is made to inform the shareholders by registered mail or in a daily newspaper distributed in the area where the company's head office is located of the company's desire to Stock purchase.
6. If the number of shares offered for sale exceeds the number that the company decided to purchase, the sale requests must be reduced in proportion to this increase.

Chapter 3, Board of Directors:

Article 17, Company Management:

The company is managed by a board of directors consisting of seven (7) members elected by the ordinary general assembly of shareholders for a period not exceeding three years. Each shareholder has the right to nominate himself or another person or more for membership in the board of directors, within the limits of his ownership percentage in the capital, provided that At least one third of the members of the board are shareholders, and as an exception, the first board of directors of the company shall be for a period of five years.

Article 18, Termination of Board Membership:

The membership of the board ends with the expiration of its term or the expiration of the member's validity according to any system or instructions in force in the Kingdom. Nevertheless, the Ordinary General Assembly may at all 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 a reason other than It is acceptable or at an inappropriate time, and a member of the Board of Directors may retire, provided that it is at an appropriate time, otherwise he will be responsible by the company for the damages resulting from his retirement.

Article 19, Vacant Position in the Council:

If the position of one of the members of the board of directors becomes vacant, the board may appoint a temporary member in the vacant position, provided that he has sufficient experience and must inform the Ministry and the Financial Market Authority within five working days from the date of appointment, and the appointment shall be presented to the ordinary general assembly at its first meeting The new member completes the term of his predecessor. 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 this system, the remaining members must call the Ordinary General Assembly to convene within sixty days to elect the necessary number of members.

Article 20, The Council Powers:

Subject to the competencies established for the general assembly, the board of directors shall have the broadest powers in managing the company in order to achieve its objectives. It has, for example, but not limited to:

Representing the company in its relations with others, government and private agencies, chambers of commerce and industry, private bodies, companies, banks, commercial banks, money houses, and all funds and government financing institutions of various names, specializations, and institutions of all kinds. The Board also has the right to contract, be bound, and to engage in the name of the company and on its behalf, to enter into tenders, to carry out all works and actions, and to sign all kinds of contracts, documents and documents, including without limitation contracts for the establishment of companies in which the company participates (whether they are new or existing companies) with all its amendments, annexes and amendment decisions. Including the sale and purchase of shares and / or shares, increase and decrease of capital, amendment of management clauses, transfer and amendment of the legal entity and other amendments, and signing of agreements and instruments before the notary and other official bodies, as well as agreements of loans, guarantees and guarantees, issuance of legitimate agencies on behalf of the company, and buying and selling Emptying, accepting, receiving, delivering, renting, renting, arresting, paying, opening accounts and credits, withdrawing and depositing with banks, issuing guarantees to banks, funds and government financing institutions, signing all papers, order bonds, checks, all commercial papers, documents and all banking transactions. The Board of Directors may sell, buy and mortgage real estate, movables and company property.

However, with regard to the sale of the company's real estate, it must include the minutes of the board of directors and the reasons for its decision to dispose, taking into account that the board determines in the sale decision the reasons and justifications for it, and that the sale is close to the price of the same, and that the sale is present except in cases approved by the board and with adequate guarantees, and not As a result of that action, some of the company's activities will be suspended or subject to other obligations.

The Board of Directors may also contract loans with funds and government financing institutions, regardless of their duration, and it may contract commercial loans whose deadlines do not exceed the end of the term of the company, provided that the Board of Directors specifies in its decision the uses of the loan and the method of repayment.

The board of directors, and in the cases it determines, may absolve the company's debtors from their liabilities in accordance with what is in its interest, provided that the minutes of the board of directors and the reasons for its decision shall be taken into consideration the following conditions:

- That the release should be after a full year has passed since the religion was established.
- That the release shall be for a specified maximum amount per year for one debtor.
- Exoneration is a right of the council that cannot be delegated.

The Board of Directors may provide financial support to any of the companies in which the company participates, as well as the subsidiary or sister companies, and guarantee the credit facilities obtained by any of the companies in which the company participates, as well as the subsidiary or sister companies, provided that the shareholders in these companies provide financial support each according to the percentage of his ownership in The company.

The Board of Directors may delegate or delegate on its behalf, within the limits of its competencies, one or more of its members or third parties with powers or to take a specific action or behavior or to perform a specific action or actions and to cancel the delegation or power of attorney in part or entirely.

Article 21, Remuneration for Board Members:

The remuneration of the Board of Directors shall be within the limits of what is stipulated in the Companies Law and its Regulations, and the report of the Board of Directors to the Ordinary General Assembly must include a comprehensive statement of all remunerations, expenses allowances and other benefits that Board members obtained during the fiscal year, and it should also include a statement What the members of the council received as workers or administrators, or what they received in return for technical, administrative or consulting works. It also includes a statement of the number of council 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 President, Vice President, Managing Director and Secretary:

The board of directors shall appoint from among its members a chairman and a vice president, and he may appoint a managing director. It is not permissible to combine the position of the chairman of the board of directors with any executive position in the company.

The chairman or his deputy, in the event of his absence, shall have the power to invite the council to meet and chair the council's meetings.

The Chairman of the Board is responsible for representing the company in its relationship with others, before the judiciary, government agencies, notaries, courts, dispute resolution committees of all kinds, arbitration bodies, civil rights, police departments, chambers of commerce and industry, private bodies, companies and institutions of all kinds, issuing legal agencies, appointing agents and lawyers, dismissing them, pleading, defense, litigation and reconciliation Approval, arbitration, acceptance of judgments and objection to them on behalf of the company, signing of all types of contracts, documents and documents, including without limitation contracts for the establishment of companies in which the company participates (whether they are new or existing companies) with all their amendments, appendices and amendment decisions, including buying and selling shares and / Or shares, increase and decrease of capital, amendment of management clauses, transfer and amendment of the legal entity and other amendments, and sign agreements, sukuk and voids in front of the notary, official authorities and loan agreements after obtaining prior approval by the Board of Directors with funds, government financing institutions, banks, banks, financial houses, guarantees, guarantees and mortgages , And decipher them and collect the rights of evil Paying their obligations, selling, buying, emptying, accepting, receiving, delivering, renting, renting, arresting,

paying and entering into tenders, opening accounts and credits, withdrawing and depositing with banks, issuing bonds, checks, all commercial papers, appointing employees, contracting with them, determining their salaries, disbursing them from service, requesting visas, bringing in employees and workers from abroad, extracting residencies and work permits. Transferring guarantees and assigning them, and the president may delegate and delegate others within the limits of his competence to powers, to take a specific action or conduct, or to carry out certain work or actions, and he may cancel the authorization or power of attorney in part or in whole.

The Managing Director has the powers specified by the Board of Directors, and he must implement those instructions that are directed to him by the Board of Directors, and he must also conduct the daily business of the company.

The remuneration that the Chairman of the Board receives in addition to the remuneration determined for the members of the Board of Directors shall be according to the discretion of the Board of Directors and by a decision issued by it.

The vice chairman of the board of directors shall replace the chairman of the board of directors in his absence.

The Board of Directors appoints a secretary chosen by him from among its members or from others who is specialized in the tasks determined by the Board of Directors and his remuneration is determined by the Board of Directors, and the term of the Chairman, Vice President and Secretary of the Board of Directors does not exceed the term of each of them in the Board, and they and the Board may be re-elected in any A time to dismiss them or any of them 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 23, Board Meetings:

The board of directors meets at least twice a year at the invitation of its chairman, and the invitation is in writing and may be delivered by hand or sent by post, fax or e-mail, and the chairman of the board must call the board to a meeting whenever two of the members so request him.

Article 24, The Council Meeting Quorum:

A board meeting is not valid unless attended by at least half of the members, provided that the number of attendees is not less than three (3) members in origin, and a member of the board of directors may delegate other members to attend the meetings of the board according to 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 assignment must be fixed in writing.
- C. The deputy may not vote on the decisions that the system prohibits the delegate from voting on.

Council decisions are issued by the absolute majority of the opinions of the attending members or their representatives. (When opinions are equal, the side with which the session chair voted is preferred) and the board has the right to pass decisions by passing by presenting them to all members of the board of directors dispersed unless one of the members requests in writing the board meeting for discussion. These decisions are issued if approved by the absolute majority of the board members. These decisions are also presented. To the Board of Directors at its first subsequent meeting.

Board meetings may also be held by phone or any other electronic means that allows attending members to be heard by other members present. If any participating member by phone or by other electronic means, he is considered present throughout the meeting.

Article 25, Council deliberations:

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

Article 26, Conflict of Interest:

Each member of the board of directors must inform the board of his direct or indirect interest in the business and contracts that are made for the company's account, and this notification shall be recorded in the minutes of the meeting. This member may not participate in voting on the decision to be issued in this regard by the Board of Directors and shareholders' assemblies. The chairman of the board of directors informs the ordinary general assembly when it is convened about the business and contracts in which one of the board members has a direct or indirect interest in it, and the notification is accompanied by a special report from the company's external auditor.

Chapter 4, Shareholders' Associations:

Article 27, Attending Assemblies:

Every shareholder has the right to attend the general assemblies of the shareholders, and in this regard he may delegate another person on his behalf who is not members of the board of directors or employees of the company to attend the general assembly.

Article 28, Competences of the Ordinary General Assembly:

With the exception of matters pertaining 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, and other ordinary general assemblies may be called whenever the need arises.

Article 29, Competences of the Extraordinary General Assembly:

The extraordinary general assembly has the authority to amend the company's articles of association with the exception of matters that it is prohibited to amend by law. It may issue decisions on matters originally included in the terms of reference of the Ordinary General Assembly, under the same conditions and conditions established for the Ordinary General Assembly.

Article 30, Invitation to Associations:

The general or special assemblies of the shareholders shall be convened at the invitation of the Board of Directors, in accordance with what is stipulated in the Companies Law, 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 5% of the capital. . The auditor may call 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 is published in a daily newspaper distributed in the region in which the head office of the company is located, at least twenty-one days before the date set for the meeting. However, it is permissible to address the invitation on the aforementioned time to all shareholders by registered letters. A copy of the invitation and the agenda is sent to the Ministry of Commerce and Investment, as well as the Financial Market Authority, within the specified period for publication.

Article 31, Assemblies Attendance Record:

Shareholders who wish to attend the general or private assembly register their names in the company's head office prior to the time specified for the meeting, or according to any other method specified by the company.

Article 32, Quorum for the Ordinary General Assembly Meeting:

The holding of 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 to hold 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 hold the first meeting includes what is declared about 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 is directed to a second meeting to be held within the thirty days following the previous meeting, and this invitation is published in the manner stipulated in Article (thirty) of this system.

In all cases, the second meeting is valid regardless of the number of shares represented in it.

Article 33, Quorum for the Extraordinary General Assembly Meeting:

The meeting of the extraordinary general assembly is not valid unless attended by shareholders representing half of the capital, and 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 hold the first meeting includes an announcement of the

possibility of holding this the meeting. In the event that the first invitation does not include the possibility of holding the second meeting, the invitation has been issued for a second meeting, to be held in the same conditions stipulated in Article (31) of this system.

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 in the second meeting, an invitation is sent to a third meeting to be held according to the same conditions stipulated in Article (thirty) of this system, and the third meeting will be valid regardless of the number of shares represented in it after the approval of the competent authority.

Article 34, Voting in Assemblies:

Every shareholder has a vote for every share in the general assembly, and the cumulative vote must be used in the election of the Board of Directors.

It is also possible for the shareholders to vote in the company's general assemblies through the electronic voting services that the company provides in coordination with the relevant authorities, and any participating shareholder through the electronic voting services is considered present throughout the meeting and his voting and attendance shall be counted.

Article 35, Resolutions of Associations:

The decisions of the Ordinary General Assembly are issued by an absolute majority of the shares represented in the meeting, and the decisions of the Extraordinary General Assembly are also issued by a two-thirds majority of the shares represented in the meeting, unless it is a decision related to increasing or reducing the capital or extending the term of the company or dissolving it before the expiry of the period specified in its articles of association or By merging with another company, the decision will not be valid unless it is issued by a majority of three quarters of the shares represented at the meeting.

Article 36, Discussion in Assemblies:

Every shareholder has the right to discuss issues on the assembly's agenda and direct questions about them to the members of the board of directors and the auditor. The board of directors or the auditor answers the shareholders' questions to the extent that the interest of the company is not compromised. And if the shareholder deems that the answer to his question is not convincing, he shall refer to the association, and its decision in this regard was enforceable.

Shareholders who represent at least 5% of the capital may request the competent judicial authority to order the inspection of the company if it becomes evident to them that the actions of the members of the board of directors or the auditor in the affairs of the company cause suspicion.

The competent judicial authority may order the inspection to be carried out at the expense of the complainants, after hearing the statements of the members of the Board of Directors and the auditor in a private session, and it may, when necessary, require the complainants to present a guarantee.

If it is proven to the competent judicial authority that the complaint is correct, it may order the precautionary measures it deems appropriate, and invite the general assembly to take the necessary decisions. It may also dismiss the members of the board of directors and the auditor, and appoint a temporary manager whose authority and tenure shall be determined.

Article 37, Presidency of Associations and Preparing Minutes:

The general assembly meetings of the shareholders shall be presided over by the chairman or his deputy in his absence, or whoever is delegated by the board of directors from among its members for that in the absence of the chairman and his deputy.

A minutes shall be drawn up at the meeting of the assembly, including the number of shareholders present or representatives, the number of shares in their possession in origin or agency, the number of votes decided for them, the decisions taken, the number of votes that approved or disagreed with them, and a comprehensive 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, the secretary and the voice collector.

Chapter 5, Audit Committee, Executive Committee, Nomination and Remuneration Committee:

Article 38, Board Committees:

The board of directors may form a number of committees according to the company's need and according to its circumstances, to carry out tasks that are determined by the Board of Directors from time to time. Except as provided otherwise in this bylaw, members of the committees may be appointed from among the members of the board of directors or from others. Individuals appointed as members of these committees only exercise the work assigned to them by the council from time to time in accordance with the instructions and directives of the council.

Article 39, Audit Committee:

A review committee is formed by a decision of the ordinary general assembly consisting of at least three members, provided that no more than five members are not members of the executive board, whether from the shareholders or others.

Article 40, Quorum for the Audit Committee meeting:

For the audit committee meeting to be valid, the attendance of the majority of its members is required, and its decisions are issued by the majority of the votes of those present, and when the votes are equal, the side that the meeting chair voted with shall prevail.

Article 41, Terms of reference of the Audit 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 ask the

board of directors to invite the company's general assembly to convene if the board of directors impedes its work or the company is exposed For heavy damage or loss.

Article 42, Reports of the Audit Committee:

The audit committee must consider the company's financial statements and the reports and notes provided by the auditor, and express its views on them, if any, and it must also prepare a report on its opinion regarding the adequacy of the company's internal control system and what it has done of other activities that fall within its jurisdiction. The board of directors must deposit sufficient copies of this report in the company's headquarters at least twenty-one days before the date of the general assembly to provide each of the shareholders a copy of it, and the report shall be read during the assembly.

Article 43, The Executive Committee:

The board of directors may form an executive committee from among its members. The board appoints from among the members of the executive committee its chair, and the board of directors determines the committee's work method, its terms of reference, the number of its members, and the required quorum for its meetings. The committee exercises the powers assigned to it by the council in accordance with the instructions and directives of the council. The Executive Committee may not cancel or amend any of the decisions and rules approved by the Board of Directors.

Article 44, Nominations and Remuneration Committee:

The board of directors may form from among its members or non-members the nomination and remuneration committee in the company. The Nomination and Remuneration Committee exercises those functions and powers that the Board assigns to it from time to time, including, but not limited to, the recommendation to the Board of Directors for compensation and remuneration of the senior management and senior executives of the company. The Nomination and Remuneration Committee consists of three (3) members appointed by a decision of the Board of Directors. All decisions of the Nomination and Remuneration Committee are issued by the absolute majority of its members, and in the event that the votes are equal and the committee is unable to agree on the decision within fifteen (15) days, the decision is referred by any of the committee members to the Board of Directors for consideration and approval. The entire deliberations and decisions of the Nomination and Remuneration Committee meetings and its decisions are confirmed in the manner requested by the committee.

Chapter 6, Auditors:

Article 45, Appointment of the Auditor:

The company must have an auditor (or more) from among the auditors licensed to work in the Kingdom appointed by the Ordinary General Assembly annually, and his remuneration and the duration of his work are determined, and the association may also change it at any time without

prejudice to his right to compensation if the change occurs at an inappropriate time Or for an illegal reason.

Article 46, Powers of the Auditor:

The auditor has the right at any time to view the company's books, records and other documents, and he also has the right to request the data and clarifications that he deems necessary to obtain, in order to verify the company's assets, obligations, 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 prove 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 call the ordinary general assembly to consider the matter.

The auditor must submit to the annual ordinary general assembly a report prepared in accordance with generally accepted accounting standards, which is included in the position of the company's management to enable him to obtain the data and clarifications he requested, and what he may have found of violations of the provisions of this system or the provisions of the company's basic system, and his opinion of the Fairness of the company's financial statements. The auditor reads his report in the General Assembly. If the assembly decides to approve the report of the board of directors and the financial statements without hearing the auditor's report, its decision will be void.

It is not permissible for the auditor to disclose to shareholders other than the general assembly or to third parties what the company's secrets have been kept on because of his work. Otherwise, he must be dismissed in addition to his claim for compensation.

The auditor shall be responsible for compensating the damages that befall the company, the shareholders, or others due to the errors that occur by him in performing his work. If there are multiple reviewers and they share in the error, they are jointly responsible.

Chapter 7, Company Accounts and Profits Distribution:

Article 47, Fiscal Year:

The company's financial year begins on the first of January and ends on December 31 of each calendar year.

Article 48, Financial documents:

1. At the end of every financial year for the company, the board of directors must prepare the company's financial statements and a report on its activities and financial position for the past financial year. This report includes the proposed method for distributing profits. The Board shall place these documents at the disposal of the auditor at least forty-five (45) days before the date fixed for the meeting of the General Assembly.

2. The company's chairman, chief executive, and financial director must sign the documents referred to in Paragraph 1 of this Article, and copies of them shall be deposited at the

company's head office at the shareholders' disposal at least twenty-one days before the date set for the meeting of the general assembly.

3. The chairman of the board of directors shall provide the shareholders with the financial statements of the company, the report of the board of directors, and the auditor's report, unless they are published in a daily newspaper distributed in the company's head office. He must also send a copy of these documents to the Ministry of Trade and Investment, as well as to the Capital Market Authority, at least fifteen (15) days before the date of the General Assembly.

Article 49, Distribution of Profits:

The annual net profits of the company are distributed as follows:

1. (10%) of the net profits shall be set aside to form the statutory reserve for the company. The Ordinary General Assembly may decide to stop this retainer whenever the said reserve reaches 30% of the paid capital.
2. The Ordinary General Assembly, based on the proposal of the Board of Directors, may avoid a percentage of the annual net profits to form an agreement reserve to be allocated for a specific purpose or purposes decided by the General Assembly.
3. The Ordinary General Assembly may decide to create other reserves, to the extent that it serves the interest of the company or guarantees the distribution of fixed profits as possible to the shareholders.
4. Of the remainder after that, a percentage of not less than (5%) of the company's paid-up capital shall be distributed to the shareholders.
5. Subject to the provisions stipulated in Article (twenty-one) of this system, and Article (seventy-six) of the Companies Law, after the above, a percentage not exceeding (10%) of the remainder shall be allocated to the remuneration of 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 dividends to its shareholders on a semi-annual or quarterly basis according to the regulations issued by the Capital Market Authority.

Article 50, Entitlement to Profits:

The shareholder is entitled to his share in the profits in accordance with the decision of the General Assembly issued in this regard, and the decision specifies the date of entitlement and the date of distribution, and the eligibility of the profits will be for the shareholders registered in the shareholders' records at the end of the date specified for entitlement.

Article 51, Dividend Distribution of Preferred Shares:

1. If profits have not been distributed for any fiscal year, it is not permissible to distribute profits for the following years except after paying the specified percentage in accordance with the provisions of Article (one hundred fourteen) of the Companies Law for owners of preference shares for that year.

2. If the company fails to pay the specified percentage in accordance with the provisions of Article (fourteen hundred) of the Companies Law from profits for a period of three consecutive years, then the special association of owners of these shares, convened in accordance with the provisions of Article (eighty-nine) of the Companies Law, may decide Either they attend the general assembly meetings of the company and participate in the vote, or they appoint representatives on the board of directors in proportion to the value of their shares in the capital, so that the company is able to pay all the priority dividends allocated to the owners of these shares for previous years.

Article 52, Company losses:

1. If the company's losses 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, and the chairman of the board of directors must inform the members of the board immediately about that, and the board of directors within five Ten days from his knowledge of this, to invite the extraordinary general assembly to a meeting 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 capital, or to dissolve The company before the term specified in Article (6) of this system.

2. The company is considered terminated by the 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 convenes and is unable to issue a decision on the matter, or if it decides to increase the capital according to the conditions stipulated in this Article and the subscription has not been completed. In each capital increase within ninety days from the issuance of the association's decision to increase it.

Chapter 8, Disputes:

Article 53, Liability lawsuit:

Every shareholder has the right to file the liability lawsuit for the company against the members of the board of directors if the mistake made by them would cause special harm to him. The shareholder may not file the aforementioned lawsuit unless the company's right to file it is still valid. The shareholder must inform the company of his intention to file a lawsuit, while restricting his right to claim compensation for the special damage he suffered.

Chapter 9, Dissolution and Liquidation of the Company:

Article 54, Termination of the Company:

Upon its expiration, the company enters the role of liquidation and maintains the legal personality to the extent necessary for liquidation. The voluntary liquidation decision is issued by the extraordinary general assembly, and 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 period of voluntary liquidation must not exceed five years. Extending it to more than that except by a court order and the authority of the company's board of directors ends with its dissolution. Nevertheless, they remain in charge of managing the company and are counted in relation to others in the judgment of liquidators until the liquidator is appointed, and shareholders' associations remain in place during the liquidation period and their role is limited to exercising their competencies that do not conflict with the terms of reference of the liquidator .

Chapter 10, Final Provisions:

Article 55,

The Companies Law and its regulations are applied in all that is not stipulated in this system.

Article 56,

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