



Ministry of Commerce and Investment

Articles of Association of the Saudi Arabian Amiantit Company

A Saudi Joint Stock Company

Part One: Establishing the company

Article (1): Incorporation

The Companies Law and its Regulations establish the Saudi Arabian Amiantit Company, a Saudi joint stock company according to the following:

Article (2): The name of the company

Saudi Arabian Amiantit Company - a Saudi joint stock company, listed on the stock exchange.

Article (3): The objectives of the company

- 1) Establishing factories, owning, managing and operating industrial establishments and marketing their products.
- 2) Establishing and owning industrial projects in general, projects for producing pipes of all kinds and all their uses, and owning their accessories, such as connections, valves, rubber rings, and pumps in particular, and all vertical and horizontal complementary industrial activities, as well as projects for the production of building materials and maintenance in general.
- 3) Operating and managing the existing factories or those established by the company or in which it participates, and providing technical support, maintenance and marketing its products to serve the company's projects and other industrial projects.
- 4) Acting as the agent or undertaker for any person, institutions or companies, whether they are Saudis or foreigners.
- 5) Supervising and carrying out the necessary technical and workshop works mainly and branch to achieve the objectives of the company.
- 6) Owning appropriate patents, inventions and industrial secrets, leasing and exploiting them, licensing others to exploit what they own or rent and developing industrial technology on their own in possible fields by strengthening the capacity for research and development, encouraging





innovation and invention talents, and establishing specialized research and development laboratories.

- 7) Trade in relation to the business of the company.
- 8) Management and leasing of owned or leased (residential) real estate, management and leasing of owned or leased (non-residential) real estate.
- 9) Owning real estate, establishing buildings and warehouses necessary for preserving and storing the products of industrial projects, and exhibitions required for display, and for other aspects that the company needs to use in manufacturing, storing, selling and buying.
- 10) Carrying out various technical research and studies and opening necessary research and studies centers for this.
- 11) Importing manufactured pipes, fittings, accessories and the necessary building materials, and completing the manufacturing of unfinished pipes, rehabilitating them, completing their manufacturing, and exporting them.
- 12) Cleaning, wrapping, lining and coating of pipes, fittings, connections, fittings, equipment, building materials and surfaces.
- 13) Engineering, design, installation and commissioning works, whether for pipes or others.
- 14) Import and export.
- 15) General contracting and construction works, as well as contracting work for the implementation of projects for installing and laying pipes and operating their lines.
- 16) Information technology.
- 17) Mediating in the recruitment of technical workers and providing services for domestic workers and labor for other sectors.
- 18) Transportation.
- 19) Water and sewage works: irrigation, sanitation, water networks, sewage networks, and flood drainage.
- 20) Mechanical works related to water and sewage purification stations, pumping and purification stations.
- 21) Industrial works related to refining, and petrochemical business.
- 22) Maintenance and operation of water and sewage facilities, and maintenance and operation of electrical and mechanical installations.
- 23) Water and power equipment rental, building and construction services.
- 24) Services of selling water of all kinds through distribution networks and transport vehicles.





- 25) Operation, maintenance and construction of water networks of all kinds.
- 26) Managing the maintenance of drinking water and sewage projects, operating pipelines and sewage stations using the latest technical and technological methods.
- 27) Generating and distributing energy from gas, electricity and others.
- 28) Mining and mining works.

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

Article (4): Participation and ownership in companies

The company may establish companies alone (with limited liability or closed shareholding), provided that the capital is not less than 5 million Saudi Riyals, and it may also own shares and stakes in other existing companies or merge with them and it has the right to participate with the establishment of joint stock companies or companies with limited liability And 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 brokerage in their trading.

Article (5): The company's head office

The head office of the company is located in the city of Dammam, Kingdom of Saudi Arabia, and branches, offices or agencies may be established for it inside or outside the Kingdom by a decision of the board of directors or by a decision of the chairman of the board of directors or his designee.

Article (6): The term of the company

The term of the police is ninety-nine Gregorian years starting from the date of issuance of the Minister of Commerce's decision No. 886 dated 6/8/1414 approving the transformation of the company from a limited liability to a joint stock company, and the term of the company may always be extended by a decision issued by the extraordinary general assembly at least one year before the end .





Chapter Two: Capital and Shares

Article (7): The Company's Capital

The company's capital has been set at 320,000,000 Saudi riyals (three hundred twenty million Saudi riyals) divided into 32,000,000 (thirty two million shares) of equal value, each of which is worth ten (10) Saudi riyals, all of which are ordinary cash shares.

Article (8): Subscription to shares

Shareholders have subscribed to the entire capital of 32,000,000 (thirty-two million shares) fully paid.

Article (9): Selling shares of unmet value

The shareholder shall 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 e-mail or inform him by registered letter of selling the share in the public auction or the stock market, as the case may be and in accordance with the controls set by the competent authority. The company shall collect the amounts due from the sale proceeds and return the rest to the shareholder. If the proceeds of the sale are not sufficient to meet these sums, the company may collect the remainder of all the shareholder's funds.

Nevertheless, a shareholder who fails to pay until the day of the sale may pay the value owed on him plus 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 (10): Issuance of shares

Shares are nominal and may not be issued at less than their nominal value, but may be issued at a higher than this value, and in the latter case, the difference in value is added in a separate item within the shareholders' equity, and it is not permissible to distribute it as dividends to the shareholders.





The share is indivisible vis-à-vis the company, and if it is owned by many people, they must choose one of them to act on their behalf to use the rights pertaining to the share, and these persons shall be jointly responsible for the obligations arising from the ownership of the share.

Article (11): Stock trading

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 the ministerial decision to convert the company from limited liability to shareholding. Where it traded.

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 case 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.

Article (12): Shareholders' Register:

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

Article (13): Preferred Shares

The company may, according to the principles it sets, issue preferred shares not exceeding ten percent of the company's capital and in accordance with the regulations issued in this regard, and the right to vote is not given, and the aforementioned preference shares are arranged for their owners in addition to the right to participate in the net profits that are distributed among the common shares the following: :

- a) The right to obtain a certain percentage of the net profits of not less than 5% of the nominal value of the share after setting aside the statutory reserve.





- b) Priority in recovering the value of their shares from the capital upon liquidation of the company and in obtaining a certain percentage of the liquidation proceeds.

The company may also purchase these shares in accordance with the regulations issued in this regard by the competent authority in accordance with the principles and method specified in the issuance decision, provided that this decision does not contain any text requiring the shareholder to sell his shares.

These shares are included in the calculation of the quorum necessary for the meeting of the general assembly of the company stipulated in this system and do not give the right to correct.

Article (14): Increasing the Capital

- 1- The extraordinary general assembly may decide to increase the capital of the company, provided that the capital has been paid in full, and it is not required that the capital be paid in full if the unpaid part of the capital is due to shares issued in exchange for the transfer of debt instruments or financing instruments. Into shares and the period specified 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 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 workers.
- 3- The shareholder who owns the share at the time of the decision of the extraordinary general assembly to approve the increase in the priority capital in the subscription to the 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 by registered mail or e-mail about the decision to increase the capital and the conditions Subscription, duration, start and end date.
- 4- 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.





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

6- Subject to the provisions of Paragraph 4 above, the new shares shall be distributed among the pre-emptive rights holders who have requested to subscribe in proportion to the priority rights they own from the total priority rights resulting from the capital increase, provided that what they obtain does not exceed the new shares they requested and the rest of the shares are distributed New to priority rights holders who requested more than their share in proportion to the total 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 remainder of the shares shall be offered to others unless the extraordinary general assembly decides. Or the financial market system stipulates otherwise.

Article (15): Reducing the Capital

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, it is permissible to reduce the capital to less than 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 for it and on the obligations that the company owes to the impact of the reduction in these obligations.

If the reduction of the capital was a result of an increase in the company's need. The creditors must be called upon to express their objections to it within 60 days from the date of publishing the reduction decision in a daily newspaper distributed in the region 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, and the company is certain that this creditor is entitled to this debt, 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.





Chapter Three: The Board of Directors

Article (16): Company management

The management of the company shall be undertaken by a board of directors composed of at least five members, elected by the ordinary general assembly of shareholders for a period not exceeding three years.

Article (17): Council membership expires

The membership of the Board shall end 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 dismiss all members of the Board of Directors at any time, some of them without prejudice to the right of the dismissed member towards the company to claim compensation if the dismissal occurs for some reason. It is not 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 held liable by the company for the damages resulting from his retirement.

Article (18): The 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 is one of those who have experience and sufficiency 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 60 days to elect the necessary number of members.

Article (19): Powers of the Council

- a) 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 and it may, within the limits of its





competence, delegate one or more of its members or others to undertake a specific work or certain works. The board of directors has the right to dispose of the company's assets, property and real estate, whether by selling, renting or mortgaging, and it has the right to buy from movable and immovable, accept purchase, pay the price, mortgage, release the pledge, sell, empty, seize the price and deliver the price.

The Board of Directors may also contract loans with funds and government financing institutions or private banks, regardless of their duration or provisions, provided that their terms do not exceed the end of the term of the company.

The board of directors has the right to reconcile, assign, and donate without compensation and accept the gift, contract, commitment and commitment to the name of the company and on its behalf.

- b) The board of directors, and in the cases it assesses, shall have the right to absolve the company's debtors from their liabilities in accordance with what is in its interest.
- c) The board of directors is authorized to extinguish part or all of the accumulated losses by using part or all of the statutory reserve.
- d) The board of directors shall have the authority to invite the general assembly, implement its decisions, and carry out all works that require the interest of the company.
- e) The board of directors may invite to attend its sessions anyone who wants to use their information or experience without having the right to vote.

Article (20): Remuneration for Board Members

It shall be in accordance with the regulations issued in this regard, and the report of the Board of Directors to the Ordinary General Assembly must include a comprehensive statement of all remuneration, expenses and other benefits that Board members received during the fiscal year, and it should also include a statement of what members of the Board of Directors received as employees. Or administrators, or what they have received in return for technical, administrative or consulting works. It should also include 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 21: Powers of the President, Managing Director, Chief Executive Officer, and Secretary



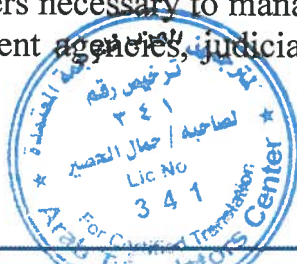


The Board of Directors shall appoint from among its members a Chairman and Vice President, and he may appoint a Managing Director and Chief Executive. It is not permissible to combine the position of Chairman of the Board of Directors with any executive position in the company.

The terms of reference of the Chairman, Managing Director and CEO are as follows:

First: The terms of reference of the Chairman of the Board of Directors

The Chairman of the Board of Directors is competent to represent the company in its relations with others, and he also has the right to sign contracts for the establishment of companies in which the company participates and other contracts, and voids by sale, donation, purchase, mortgage, mortgage redemption and other voids and obligations before the notary and official authorities and everything It would manage the company's affairs. And to sign in front of the notary public all the contracts for the establishment of the company and the transactions related to the contract of incorporation of the company and the contracts for the establishment of subsidiary companies or in which the company participates and their amendments and annexes, the purchase and sale of all kinds of shares and shares in companies and the assignment of them with compensation, as well as the contracts related to the sale and purchase of real estate and mortgage and decommissioning of the company's property, including It is compatible with the company's share in those companies, and has the right to conciliation, waiver and release, and has the right to plead, defend, present evidence, initiate and drop lawsuits, answer and acknowledge the defendant and deny it, bring evidence, return it, challenge and accept it with all degrees of appeal, submit objection regulations, appoint experts and arbitrators, accept their decisions and reject them, and request the implementation of judicial rulings. He requested the oath, accepted and received the sukuk, opened the industrial and commercial branches, modified their activities, and closed or moved them. He requested industrial licenses, their cancellation, the extraction of commercial records, their amendment and cancellation, the registration of trademarks, and he has the right to sell and buy movables and real estate, empty the , receive the bonds, merge and sort, and accept the lengths and survey dimensions, increasing and decreasing, and accordingly, the shareholders delegated and authorized the Chairman of the Board of Directors all the powers necessary to manage the company, represent it and sign for it with All government agencies, judicial references, notaries, and all private





companies and before all national and foreign banks and banks and managing the company's affairs, and he has the right to dispose and manage the company's property and real estate, whether by selling, renting, assigning with or without compensation, mortgage or redemption, as well as the right to buy from movable property. He has the right to empty the real estate, seize the price and deliver it, and he has the right to contract loans and loan modifications, whether with government financing funds or private banks, regardless of their deadlines, and he has the right to open bank accounts in any currency and to manage, supervise and operate those accounts And he has the right to claim all the sums due out of the original money and the consequences thereof Its appendices and signature upon receipt of them and has the powers to deposit and withdraw from all accounts, issue checks and sign them, sign remittances, order bonds, commercial papers, transfer orders, payment orders, accept them, direct them and assign them. Paying the value of bonds, documents, bills of exchange, all kinds of obligations, requesting exchange of foreign currencies, contracting exchange operations of all kinds, investing funds, receiving account statements, notifications and claims, approving, accepting and approving them, requesting opening of documentary and non-documentary credits, requesting issuance and withdrawal of bank guarantees, requesting banking facilities, signing the necessary agreements for them and accepting their terms, whatever It was its type, waiving rights, giving guarantees to guarantee loans and banking facilities, signing orders to sell and buy shares and mortgaging them, receiving share certificates, endorsing all bills of lading, leasing contract extracts and giving guarantees to the company or subsidiary companies. He also has the right to donate, accept the donation, and sign all contracts on behalf of the company, and he has the right to represent the company in its relations with others, reconcile, receive, accept the judgment and deny it, request an appeal in all degrees of appeal, receive the deeds, and he has the right to appoint lawyers, and he also has the right to follow the daily business of the company and he has subscriptions to tenders and offer prices Providing guarantees, and in general, obtaining all the necessary licenses to practice the company's business and requesting its cancellation and amendments thereof. He is also entitled to represent the company before the chambers of commerce in terms of signing on behalf of the company, approving the signatures of employees at the chambers, canceling them, and signing them in front of all references, bodies, ministries, and private companies. He has the right to appoint, dismiss, transfer, and determine the powers of branch managers and executive directors. He also has the right to request





precautionary seizure or request its cancellation or removal, and to submit requests for liquidation, closure, granting, withdrawal, modification, cancellation or extension of commercial agencies, and he may also register patents, trademarks and intellectual property and obtain legal protection, these powers are valid inside and outside the Kingdom of Saudi Arabia. He may delegate or delegate some of these powers to any member of the board of directors or others.

Second: Functions of the Managing Director and / or CEO:

The managing director and / or the chief executive officer is involved in the executive business of managing the company's affairs, including, for example:

- 1) Preparing the financial statements in accordance with the accounting regulations approved in the Kingdom of Saudi Arabia.
- 2) Preparing the annual estimated budgets in accordance with the approved regulations and decisions in this regard.
- 3) Managing the company's affairs, whatever they are, to determine the instructions related to the exploitation of its factories and the organization of its offices.
- 4) Loan contracts with any banking or financial institution, Saudi or foreign.
- 5) Concluding or breaking all deals.
- 6) Opening accounts of all kinds in any Saudi or foreign banking institution.
- 7) Opening documentary credits for the benefit of the company's financiers.
- 8) Ensuring the banking facilities granted to the subsidiary company.
- 9) Signing, transferring, accepting, resolving, guaranteeing, guaranteeing and paying all remittances, signing and withdrawing checks on the accounts that the company has as a debit and as a creditor in any bank, department or institution.
- 10) Giving receipts in any amount and paying off debts owed by the company.
- 11) Issuing orders and instructions, signing any document, and receiving goods, machinery, equipment, and equipment of all kinds.
- 12) Withdraw and receive all parcels and documents in banks and anywhere else, and give receipts signed.
- 13) Signing each agreement, deal, or commitment contract to conduct business or purchase goods.
- 14) Participate in tenders and submit prices and guarantees.
- 15) Representing the company in signing all pending transactions with the official departments.





- 16). Representing the company in signing with a notary or with the Ministry of Commerce or any government agency on any contracts or annexes to the companies' incorporation contracts to give agencies or private agencies or sign any transaction of the company that requires proof with the notary, the Ministry of Commerce, or any other government agency.
- 17) Appointment and dismissal of employees and workers.
- 18) Obtaining cash and non-cash credit facilities from local and foreign banks from time to time in accordance with the terms of the facilities letter and agreement issued by banks from time to time. He also has the right to complete and sign the treasury agreement, execute financial derivative contracts, and sign all the required documents.

In addition to the above, the General Assembly upon the recommendation of the Board of Directors has entrusted other powers and competencies to the Managing Director and / or the CEO, as it deems appropriate. The managing director and / or the chief executive officer has the right to delegate or delegate others.

The board of directors shall appoint a secretary whom he chooses from among its members or from others who are responsible for preparing for meetings, recording the board's deliberations and decisions in the minutes of meetings, recording them in the special register and maintaining this record, and the board of directors determines his remuneration.

The term of the chairman, his deputy, the managing director, and the secretary of the board member shall not exceed the term of each of them in the board, and they may be re-elected, and the board may dismiss all or some of them at any time without prejudice to their right to compensation if the dismissal occurs for an unlawful reason or at an inappropriate time.

Article (22): Board meetings

The board meets at least twice a year at the invitation of its chairman, and the invitation is by wire or by registered mail or by fax or e-mail at least five working days before the date set for the meeting, unless most of the members agree on a shorter date, and the president of the council must invite the council to a meeting whenever As requested by two of the members, the agenda and all necessary documents and information must be attached to the





invitation, and the meeting could be in attendance or by means of modern technology.

Article (23): The Council's Quorum

- 1) The council meeting is not valid unless attended by the majority of the members, and the council may issue decisions by way of presenting them to the members scattered, and these decisions are considered valid if signed by the majority of the members.

In the event that a board member delegates another member to attend board meetings, the delegation must be in accordance with the following controls:

- a) member of the Board of Directors may not represent more than one member in attending the same meeting.
 - b) That the assignment is fixed in writing.
 - c) The deputy may not correct the decisions on which the delegate is prohibited to vote.
- 2) a member of the board of directors may participate in the meeting of the board of directors by phone, group video, or any electronic means available to all members of the board to communicate through it at the same time, and such participation is considered an attendance at the meeting.
 - 3) In all cases, the decisions of the Board of Directors are issued by the majority of the votes of the attendees or the representatives.

Article (24): Council deliberations

The deliberations and decisions of the Board 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 and the Secretary.





Chapter Four: Shareholders' Associations

Article: (25):

- 25-1 Every subscriber, regardless of the number of his shares, has the right to attend the Constituent Assembly, and every shareholder has the right to attend the general assembly of the shareholders, and for this he has the right to delegate on him another person who is not members of the Board of Directors or company employees to attend the General Assembly.
- 25-2 The shareholders 'general assembly is concerned with all matters related to the company. The general assembly held in accordance with the statutory procedures represents all shareholders in exercising their competencies related to the company.

Article (26)

The functions of the Ordinary General Assembly

With the exception of matters pertaining to the extraordinary general assembly, the ordinary 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 general assemblies may be called whenever the need arises.

Article (27)

Competences of the Extraordinary General Assembly

The extraordinary general assembly has the authority to amend the company's bylaw, with the exception of provisions that it is prohibited to amend by law. It is also concerned with matters related to increasing or reducing the capital, transferring the main position of the company, prolonging the term of the company, continuing or dissolving it before the term set for it, or merging the company with another company or institution and approving the process of buying the company's shares, issuing preferred shares or approving their purchase or transferring Ordinary shares into preference shares or converting preference shares into ordinary shares, issuing debt instruments or financing instruments that can be converted into shares, stating the maximum number of shares that may be issued in





exchange for instruments or deeds and allocating shares issued when increasing the capital or part thereof to the employees of the company The subsidiary companies, some or any of that, stop working for the priority right for shareholders to subscribe to increase the capital in exchange for cash shares or give the right of priority to non-shareholders, and in addition to that, they may issue decisions on matters falling within the jurisdiction of the Ordinary General Assembly with the same conditions and conditions established For the last association.

Article (28): Invitation to Associations

The general or special meeting of shareholders shall convene at the invitation of the board of directors, 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, and the auditor may invite the general assembly to convene if he does not The board shall invite the assembly within 30 days from the date of the auditor's request.

The invitation to convene the general assembly is published in a daily newspaper that is distributed in the company's headquarters at least twenty-one before the date set for the meeting. A copy of the invitation and the agenda is sent to the Ministry of Trade and Investment and to the Capital Market Authority within the specified period for publication.

The company may amend the agenda of the association during the period between the publication of the above-mentioned announcement in accordance with the conditions stipulated in this article.

Article (29)

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 assembly to convene, and the board of directors may change the place of registration of the names or the method it deems appropriate. Upon the convening of the General Assembly, a list of the names of the present shareholders and representatives and their place of residence shall be issued



with a statement of the number of shares in their possession by origin or by proxy, and the number of votes assigned to it, and everyone who has an interest may convince this disclosure.

Article (30)

Quorum for the Ordinary General Assembly meeting

The meeting of the Ordinary General Assembly shall not be valid unless attended by shareholders representing at least one-fourth of the company's capital, and if this quorum is not available 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 what indicates the announcement of The possibility of holding this meeting. In all cases, the second meeting shall be valid regardless of the number of shares represented in it.

Article (31)

Quorum for the Extraordinary General Assembly meeting

The meeting of the extraordinary general assembly is not valid unless attended by shareholders representing at least half of the company's 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 what indicates the announcement Regarding the possibility of holding this meeting, and 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 28 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 32

Voting in assemblies





Each subscriber has a vote for every share he represents in the constituent assembly, and every shareholder has a vote for every share in the general assemblies, and the cumulative vote must be used in the election of the Board of Directors, and voting in the General Assembly is limited to the agenda item announced by the company or to the candidates for membership of the Board of Directors who announced The company about their information.

Article (33)

Decisions of the Associations

Decisions in the Ordinary General Assembly are issued by the majority of the shares represented in the meeting, and the decisions of the Extraordinary General Assembly are issued by a majority of two-thirds of the shares represented in the meeting unless the decision is related to an increase or decrease in the capital or another institution, so the decision is not valid unless it is issued by a majority of three quarters of the shares represented in the meeting. the meeting.

Article (34)

Discussion in the Assemblies

Every shareholder has the right to discuss the topics on the meeting'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 they do not compromise the interest of the company. If the shareholder deems that the response to his question is not convincing, refer to the Ordinary General Assembly. Its decision in this regard shall be enforceable.

Article (35)

Presiding over associations and preparing minutes

The general assembly (ordinary and extraordinary) is chaired 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. The number of votes decided upon, the decisions taken, the





number of votes approved or opposed, 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 Assembly's president, secretary, and vote collectors.

It is permissible to hold general assembly meetings of shareholders and the shareholder's participation in their deliberations and voting on their decisions by means of modern technology, according to the controls laid down by the competent authority.





Chapter Five: The Audit Committee

Article (36): Formation of the Committee

By a decision of the ordinary general assembly in the company, a review committee shall be formed from not members of the executive board of directors, whether from the shareholders or from others, provided that the number of its members is not less than three and not more than five, and that the tasks of the committee, its work controls, and the remuneration of its members are specified in the decision.

Article (37)

The quorum for the 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.

Article (38)

The committee's functions

The audit committee is responsible for monitoring the company's business, and for this purpose it has the right to view its records and documents and request any clarification or statement from the members of the board of directors or the executive management, and it may request the board of directors to invite the company's general assembly to convene if the board of directors impedes its work or the company is exposed. For heavy damages or losses.

Article (39) Committee reports

The audit committee shall review the financial statements of the company and the reports and notes provided by the auditor and express its views on them, if any. The audit committee shall prepare an annual report on the activities of the Internal Control Department, and it must also prepare a report on its opinion regarding the adequacy of the internal control system in the company and what it has done from Other business falls within the scope of its competence, and 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 this report, and the report shall be read during the assembly.





Chapter Six: Auditor

Article (40)

Appointment of the Auditor

The company shall have one or more auditors licensed to work in the Kingdom of Saudi Arabia appointed by the Ordinary General Assembly annually and determine his remuneration and the duration of his work, and the association may also change it at any time without prejudice to his right to compensation if the change occurred at an inappropriate time or for an unlawful reason.

Article (41)

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, commitment, and other things that fall within the scope of his work. Difficulty in this regard was proven in a report submitted to the board of directors. If the board does not facilitate the work of the auditor, he must ask the board of directors to invite the ordinary general assembly to consider the matter.





Chapter Seven: Fiscal Year / Company Accounts and Profit Distribution

Article (42): The fiscal year

The fiscal year continues as it is, starting on the first of January of each year and ending on the 31st of December of that year.

Article (43): Financial documents

- 1) The board of directors must, at the end of each financial year for the company, prepare the company's financial statements and a report on its activities and financial position for the past financial year, and this report includes the proposed method for distributing profits, and the board places these documents at the disposal of the auditor five days before the date set for the meeting of the general assembly. At least forty days.
- 2) The Chairman, CEO and Financial Director of the company must sign the documents referred to in Paragraph 1 of this Article, and copies of them shall be deposited in the head office of the company at the disposal of the shareholders 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 report of the auditor, unless it is published in a daily newspaper distributed in the company's headquarters, and he must also send a copy of these documents to the ministry and the Financial Market Authority before the date of the meeting. The general assembly shall be at least fifteen days.

Article 44: Distribution of profits

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

- 1) 10% of the net profits are set aside to form the statutory reserve for the company, and the Ordinary General Assembly may decide to stop this retainer when the said reserve reaches 30% of the paid capital.
- 2) The Ordinary General Assembly may decide to create other reserves, to the extent that it serves the interest of the company or ensures that fixed profits are distributed as much as possible to the shareholders, and the aforementioned assembly may also deduct from the net profits amounts to





establish social institutions for the company's employees or to assist what may exist from these institutions.

- 3) From the remainder after that, a percentage representing 5% of the paid-up capital of the company shall be distributed to the shareholders.
- 4) The rest is then distributed to the shareholders as an additional share of the profits.

Article (45): Distribution of interim profits

The company may, in accordance with the regulations issued by the Capital Market Authority, distribute interim profits to its shareholders on a semi-annual or quarterly basis, after fulfilling the following requirements:

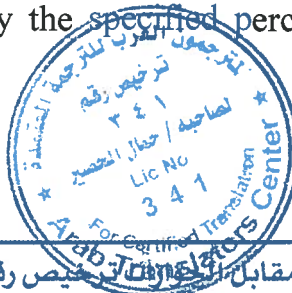
- 1) That the Ordinary General Assembly authorizes the Board of Directors to distribute interim dividends according to a resolution to be renewed annually.
- 2) The company should be of good and regular profitability.
- 3) That the company has reasonable liquidity and can reasonably expect the level of its profits.
- 4) That the company has distributable profits in accordance with the latest audited financial statements, sufficient to cover the profits proposed to be distributed, after deducting and capitalizing what was distributed from those profits after the date of these financial statements.

Article (46): Entitlement of 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 shall be for the shareholders registered in the shareholders' records at the end of the date specified for entitlement.

Article (47): Dividends Distribution for Preferred Shares

If profits have not been distributed for any financial 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 (114) of the Companies Law for the owners of preference shares for this year, if the company fails to pay the specified percentage in accordance with the





provision of Article (114). 1) of the companies 'system of profits for a period of three consecutive years. The private assembly of the owners of these shares held in accordance with the provisions of Article (89) of the companies' system may decide either to attend the company's general assembly meetings and participate in voting, or to appoint representatives for them in the board of directors as appropriate. With the value of their shares in the capital, until the company is able to pay all the priority dividends allocated to the owners of these shares for previous years.

Article (48): 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, and the chairman of the board of directors must immediately inform the members of the board of this, and the board of directors during 15 days from his knowledge of this to invite the extraordinary general assembly to a meeting within 45 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 term specified in the Companies Law.
- 2) The company shall be deemed 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 in accordance with the conditions set in this Article and the subscription has not been completed. In each capital increase within 90 days of the issuance of the Assembly's decision to increase.





Chapter Eight: Disputes

Article (49): Liability Claim

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 a special harm to him, provided that the company's right to file it is still valid, and he must notify the company of his intention to file the lawsuit.





Chapter Nine: Dissolution and Liquidation of the Company

Article (50): 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, and the voluntary liquidation decision is issued by the extraordinary general assembly. It may be extended 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. 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. Liquidator.





Chapter Ten: Final Provisions

Article 51:

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

Article 52:

This system is filed and published according to the Companies Law

God grants success,,,

