



Articles of Association of Herfy Food Services Company

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Part one: The Company Transformation

Article (1): preamble:

As per the provisions of the Law of Companies and these articles of association, the company has been transformed to a Saudi joint-stock company according to the following:

Article (2): the company name:

Herfy Food Services Co. (Saudi joint-stock company)

Article (3): the company purposes:

1. Restaurants establishment, operation, maintenance and operation and supply of companies and others with cooked and uncooked foodstuffs.
2. Production, manufacture, canning, distribution and sale of all kinds of confectionaries, bread and pastries.
3. Production, manufacture, canning, distribution, packing, marketing and sale of biscuits, pies, mamool, shaboura, cake of all kinds, rusk, samosa and all sorts of bakeries products and all non-alcoholic beverages.
4. Production, manufacture, canning, distribution, packing, marketing and sale of meat, chicken and fish products
5. Establishment, operation, maintenance and management of types of factories
6. Purchasing lands and properties for building and investment by sale or rent for the company interest.
7. Establishment, operation, maintenance and management of hotels, restaurants, kitchens, rest houses, buffets, cafes and recreational activities.



- 8.Storage, refrigeration, holding, use, maintenance, lease and renting warehouses and food cold stores
- 9.Commercial agencies
- 10.Wholesale and retail sale trade in foodstuff, all types of confectionaries, bread and pastries
- 11.Export, re-export and importing processed food and various raw materials required for their processing, child toys, packing and wrapping materials, restaurants equipment and furniture
- 12.Importing all supplies of preparation and operation of restaurants, confectionary shops, meat factories, bakeries, cake and pastries factories, including processed and unprocessed foodstuff, packing materials, electric and industrial tools, equipment and preparations, lighting, décor supplies, marketing and advertising materials, child toys and gifts. The company may not assume its activities unless it obtains the legal licenses from the competent authorities.
- 13.Activities of food providing undertakers.
- 14.Training service.
- 15.Cold foodstuff stores.
- 16.Frozen foodstuff stores.
- 17.Dry foodstuff stores.
- 18.Retail sale of bakeries and sweets products.
- 19.General stores that include a set of various goods.
- 20.Ice cream stores.



Article (4): partnership and merger:

The company may establish companies of limited liability of closes joint-stock companies. Also, the company may own shares in other existing companies or merge with them. The company has the right to participate with others in establishing joint stock or limited liability companies after satisfying the requirements of the laws and regulations in this respect. Also, the company may dispose of stock except mediation in stock trade.

Article (5): the company head office:

The company head office shall be located in Riyadh city. The company board shall have the right to open branches or offices inside and outside the Kingdom of Saudi Arabia.

Article (6): the company period:

The company has been established for an indefinite period started from the date of being recorded in the Commercial Registry.

Part 2: capital and shares

Article (7): company capital:

The company capital shall be SAR 646,800,000 (only six hundred forty six million eight hundred thousand Saudi Riyals) divided into 64,680,000 ordinary paid shares of equal value, and the value of each share shall be SAR 10 and the shareholders subscribed to these shares and completely paid its value.

Article (8): premium shares:

As per the rules of Governed systems and the rules of the competent authorities, the extraordinary general assembly may issue premium shares, purchase shares, transfer ordinary shares to premium shares or to transfer premium shares to ordinary shares. Premium shares will not have the right to vote in shareholders general assemblies. These shares give their holders the right to obtain net profits of the company more than the holders of ordinary shares after retaining the legal reserve.



Article (9): bonds:

The company may by the loans it obtains issue tradable and indivisible bonds of equal value as per the Governed systems.

Article (10): failure to pay shares value:

The shareholder shall pay the shares value in time otherwise the board of directors may after notifying him through the competent authorities advertising media sell the shares in auction or in stock market as the case may be, and the other shareholders shall have priority to purchase the shares of the shareholder who fails to pay and as per the rules decided by the competent authority. The company shall take the amount due to it from sale and pay the balance to the shareholder. If the sale amount is not adequate to satisfy these amounts, the company may satisfy the balance from all the shareholder's monies. Carrying out the rights related to the shares which are not paid in time shall be suspended until it is sale or payment of amounts due from it including the right to obtain part of net profits to be distributed, the right to attend shareholders assemblies and the right to vote to assemblies resolutions. However, the shareholder who has not paid till the day of payment may pay the amount due from him plus the expenses spent by the company in this respect, the company shall cancel the sold share as per the provisions of this article and grant the purchaser a new certificate of shareholding the number of the cancelled share and the company shall indicate the sale occurrence in the shares record and state the necessary data of the new holder.

Article (11): the company shares:

The company shares shall be nominal shares and they may be divided to shares of less nominal value or may be merged to represent shares of higher nominal value, and they may be issued in value less than this value. In the latter case the value difference shall be added in a separate item to the shareholders' rights provided that it shall be used as per the rules set by the competent bodies, and they may not be distributed as profits to the shareholders. A share is indivisible. If a share is held by several persons, they must select



one of them to act on behalf of them in using the share rights and those persons shall be jointly liable for the obligations resulting from the share ownership.

Article (12): shares trade:

The company stock trade shall be in accordance with the provisions of Capital Market Law and its executive regulations.

Article (13): capital increase:

- 1.The company extraordinary general assembly may decide to increase the company issued or decided capital- if any- provided that the decided capital has been fully paid. Capital full payment is not required if the unpaid part of the capital relates to stocks issued against transfer of debt instruments or financing Sukuk to stocks and the period of their transfer has not yet finished.
- 2.The company extraordinary general assembly may in all cases allocate the stocks issued at capital increase or part of them to the employees of the company, its subsidiaries, some or any of them and shareholders may not practice priority right when the company issues shares allocated to the employees.
- 3.A shareholder may at issue of extraordinary general assembly decision approval to increase the issued capital or at the issue of the board decision on approval of capital increase within the limit of the decided capital (if any) shall have priority to subscribe to new stocks issued against cash shares, and they will be notified of their priority through disclosure mechanisms of registered stock companies approved by the competent authority on the decision of capital increase, subscription conditions, period, start and end date.
4. The company extraordinary general assembly shall have the right to stop priority right of shareholders to subscribe to capital increase against cash shares or giving priority to non-shareholders in the cases it deems suitable to the company interest.



5. A shareholder shall have the right to sell or to assign priority right with or without return as per the rules setup by the competent authority.
6. Without prejudice to paragraph (4) above, new stocks shall be distributed to priority rights holders who request subscription on pro rata of the priority rights they own from the total priority rights resulting from capital increase provided that what they obtain shall not exceed what they ordered from the new stocks and the balance of new stocks shall be distributed to priority rights holders who order more than their share on pro rata of the priority rights they hold from the total priority rights resulting from capital increase provided that what they obtain shall not exceed what they ordered from the new stocks and the balance shall be offered to others unless otherwise is decided by the general assembly or set forth in the Capital Market Law.

Article (14): capital decrease:

1. The company extraordinary general assembly may decide to decrease the company capital if it is more than the company need or if the company suffers a loss. The capital may only in the last case be decreased to less than the limit set forth in article 59 of the Law of Companies Capital decrease decision shall not be issued until reciting a statement in general assembly prepared by the board on the decrease causes, the company obligations and the decrease effect on satisfying these obligations provided that special report prepared by the accounts auditor on the reasons of that.

2. If capital decrease is as a result of being more than the company need, creditors must be called upon to state their objections to that, if any, within at least 45 days from the date fixed for holding the meeting of the extraordinary assembly publishing the capital decrease decision to issue the capital decrease decision provided that a statement showing the capital amount before and after decrease, the meeting date and the date of decrease validity. If any of the creditors objects and submits his documents to the company within the said period, the company must pay to him his debt if it is due or provide to him an adequate guarantee on the debt settlement if the debt is deferred. Equality between holders holding the same type of shares and category shall be taken into account at capital decrease.



3. Capital shall be decreased by one of the following methods:

- Cancelling a number of shares equal to the number of shares to be decreased
- Decreasing the share nominal value by cancelling part of it equal to the loss occurred to the company.
- Decreasing the share nominal value by returning part of it to the shareholder or by discharging him from all or part unpaid share value.
- The company purchase of some its shares equal to the mount to be decreased and then cancelling these shares.

Article (15): shares purchase, mortgage and sale:

1. The company may purchase, sell or mortgage its shares in accordance with the applicable laws and the rules set by the competent authority. The shares purchased by the company shall have no votes in shareholders assemblies.
2. the company may purchase its shares for allocation to its employees within employees shares program as per the applicable laws and the rules set by the competent authority.

Part 3: company management

Article (16): board setup:

1. The company shall be managed by a board of directors consist of 9 members elected by the shareholders general assembly by accumulative election for 4 years period. The board members may be re-elected for other terms as per election and nomination procedures as per the applicable laws and the rules set by the competent authority.
2. Each shareholder shall have the right to nominate himself, another person(s) from the shareholder or others to the board membership provided that in all cases shall be natural persons.



Article (17): expiry of the board membership, quit or firing any of its members:

1-The board shall before the expiry of its term call the ordinary general assembly for meeting to elect a board for a new term. If election is impossible and the current board term expires, the board members shall continue to perform their tasks until a board is elected for a new term provided that the expired board members term shall not exceed the term stipulated in executive regulation of the Law of Companies.

2-The board membership expires by the expiry of the period decided for it or by the member's validity as per any applicable law or rule of the Kingdom, by death, by resignation or if condemned of any crime affecting honor or honesty. A board member may resign by a written letter addressed to the board chairman. If the chairman member resigns, he must notify the board members and secretary and the resignation shall in the two cases be effective from the date stated in the notification.

3-If the board chairman and members resign, they must call the general assembly for meeting to elect a new board. Resignation shall not be effective until a new board is elected provided that the term of the resigned board shall not exceed the period set forth in the regulations. The board shall take the necessary actions to elect a board to replace it before the elapsed of the continuance period set forth in the law.

4-The general assembly may upon recommendation of the board terminate any of the members who is absent from 3 consecutive meetings or 5 intermittent meetings without valid reason acceptable by the Board of Directors.

Article (18): vacant position in the board:

1-If a board member position vacates for his death, resignation or firing and this vacation has not affected the conditions of the board meetings quorum as per the rule, the board may appoint or not appoint a temporary qualified and experienced member(s) to the vacancy. The competent authorities must be notified of that within 15 days of the appointment, the appointment must be presented to the ordinary general assembly in its



first meeting and the appointed member has to complete the term of the previous member.

2-If the board meeting quorum is not satisfied for decrease of the number of its members to less than the minimum number set forth in the Law of Companies or in this bylaw, the remaining members must call the general assembly for meeting within 60 days to elect the necessary number of members.

Article (19): powers of the board of directors:

Without prejudice to the terms of reference of the general assembly, the board of directors shall have the widest authorities and powers to manage the company, to setup its policies, to define its investments, to supervise its business and funds and to run its affairs inside and outside the Kingdom to realize the company purposes in accordance with the provisions of the Companies Law.

The board shall have the right contract, to commit and to bind itself in the name of the company and on its behalf, to enter in tenders, to perform all works and disposals, to sign loans, guarantees and sponsorships agreements, to issue powers of attorney on behalf of the company, to sell, to purchase, to accept the same, to receive, to deliver, to rent, to lease, to pay, to merge and to divide land deeds, to open accounts and L/Cs, to withdraw, to deposit to banks, to issue guarantees to banks, funds and government financing institutions, to sign all documents, promissory notes, checks, all commercial papers, documents and all banking transactions. The board shall have the right to subscribe in the company name to the stocks of companies offered in the Capital Market, as well as subscribing by shares in unlisted companies, possessing activities and companies by share or by complete purchase. The board shall have the right to purchase, to sell and to mortgage the company stocks as per the rules setup by the competent authority. The board may sell, purchase and mortgage the company real estates, movable assets and properties provided that in case of the company real estates sale, the board minutes and decision preambles on disposal of that must include taking the following conditions into consideration:



- In the sale decision the board has to state the reasons and justifications
- Sale price shall be close to price of the similar
- Sale shall be made in cash unless in cases considered by the board under adequate guarantees

The board must obtain the approval of the general assembly for selling assets which exceed 50% of the total assets either sale is made through one deal or several deals. In this case a deal which exceeds 50% of the assets value must obtain the general assembly approval. This percentage shall count from the date of the first deal made within the previous 12 months. Although the competent authority may exempt some businesses and disposals from this condition.

The board may conclude loans with government funds and financing institutions and commercial loans with commercial banks, finance houses and credit companies for any suitable period.

The board may provide financial support to any of the companies in which the company participates, subsidiaries and sister companies and to guarantee the credit facilities which the companies in which the company participates, subsidiaries and sister companies participate provided that the partners of these companies have to provide financial support on pro rata of their ownership rate in the company.

The board shall in the cases it deems appropriate has the right to discharge the company debits from their liabilities as it realize the company interest provided that the board minutes and decision preambles must include taking the following conditions into consideration:

- Discharge shall be made after the elapse of at least one full year from the debt occurrence date.
- Discharge shall be for a limited amount as a maximum for a debtor for each year
- Discharge from debt is the right of the board and may not be authorized to others.



The board shall within its terms of reference have the right to authorize its powers set forth above, taking a certain procedure, a certain disposal or performing a certain work(s) to one or more of its members or others.

Article (20): the board chairman, CEO and the secretary:

The board shall appoint from its members a chairman and a vice-chairman and it may appoint a CEO. No one of the members may hold together the positions of chairman and any other executive position in the company. The Chairman or the vice-chairman in case of his absence shall be concerned with calling board for meeting, chairing the board meetings and the shareholders general assemblies, approval of the board decisions and signing the same. The board chairman may delegate these powers and the powers granted to him by the board from time to time to others. Also, the board chairman shall have the right to represent the company with judicial authorities, arbitration boards, other entities, chambers of commerce & industry, private corporations, companies, establishments of various kinds, and he has the right to issue powers of attorney for company employees or a third party outside the company, to hire and fire agents and lawyers, the right to pleading, defending, conciliation, declaration, arbitration, acceptance and appeal of judgments on behalf of the company, as well as signing all kinds of contracts and documents including – but not limited to- memoranda of association of the companies in which the company participates with all their amendments and appendices, the right to sign agreements and instruments and the right of conveyance before notary public and official authorities, to sign loans agreements with government financing funds, banks and finance houses, guarantees, sponsorships and mortgages, mortgage release, collecting the company debts, settlement of the company liabilities, lands deeds merger and division, enter in tenders, opening accounts and L/Cs, deposit with banks, rendering bonds, checks and all commercial papers. The board chairman may by a written decision authorize some of its powers to other board members or to others to perform a certain work(s), and the board chairman shall have the right to issue decisions on appointing legal representative for the company in order to represent the company before others, before all general courts, board of grievances, administrative courts, judicial commissions of various types and classes, all



government bodies, ministries, departments, executive bodies and branches thereof concerning all kinds of cases.

The Managing has the power which The Board determined by a pursuant from the Board of Directors.

The board shall appoint a secretary from the board members or from others to record the board meeting minutes and the general assemblies meetings and to practice all the other terms of reference assigned to him by the board. The board shall decide the remuneration of the secretary.

The term of each of the board chairman, CEO and secretary (if he is a board member) shall not exceed the period of the membership term of each of them in the board, and they may be re-elected. The board may at any time fire them or fire anyone of them without prejudice to their rights to indemnity if termination occurs without valid reason or in an unsuitable time.

The board may appoint a CEO for the company from the board members or from others. The positions of the CEO and the general manager may be held together by one person. The board shall decide the authorities, powers, tasks, remuneration and term of the CEO in his appointment decision.

The board chairman shall by a written decision issued by him charge the company legal affairs manager or Third party from outside company to legally represent the company before judicial authorities, arbitration boards, all ministries, all authorities with all their departments. The legal affairs manager and the Third party from outside company has the right to authorize others in all or part of his powers

Article (21): the board meetings:

The Board of Directors meets at least four times a year at the invitation of the Chairman of the Board or his representative. The invitation shall be in writing and may be sent to the members of the board via modern technological means such as e-mail, portals, electronic applications, etc., sufficiently before the date of the meeting. The Board of Directors shall



determine the place for holding its meetings, and board meetings may be held using modern technological means. The Chairman of the board or his representative - in the event of his absence - must also call the board to a meeting whenever requested to do so in writing by any member of the board to discuss any one or more topics.

Article (22): the board meetings quorum and decisions:

The Board meeting shall not be valid unless it is attended by at least five (5) members in person, whether in person or via modern technological means. In the event that a Board member deputizes 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.
- The mandate must be confirmed in writing, whether by e-mail or any other means, and regarding a specific meeting.
- The representative may not vote on decisions that the law prohibits the delegate from voting on.
- The board members meeting shall be issued by the majority of the members attending the meeting personally or representing others. If votes are equal, the board chairman or the meeting chairman shall have a casting vote. The board decision shall be effective from its issue date unless it stipulates a certain date for its validity or when certain conditions are realized.
- When making decisions, the responsibility will be held by all members of the Board of Directors if mistake arises from a decision issued by their consensus. As for decisions issued by a majority of opinions, the opposing members are not responsible for them as long as they express their objection explicitly in the minutes of the meeting. Absence from attending the meeting in which the decision is issued is not a reason for exemption from responsibility unless it is proven that the absent member is not aware of the decision or was unable to object to it after learning of it. The company may provide insurance coverage



for a member of its board of directors, senior executives, officials and committee members during the period of their work or membership against any liability or claim arising because of their capacity.

- The board meeting may be held by one of the current means of communication to make all the members communicate with each other during the meeting provided that copies of the issued decisions in the meeting shall be sent to the board members to sign them.

- The board may render decisions by circulation by presenting them to majority of members severally in necessary cases. All the board members approval of the decisions shall be made in writing and all these decisions shall be presented to the board in its first following meeting to ratify these decisions and record them in the minutes of the meeting of the Board of Directors.

Article (23): the board committees:

The Board of Directors may, by its decision, setup an appropriate number of committees in accordance with what the system requires and the company's needs, and it has all the powers to determine the scope of its powers and tasks, the procedures and provisions of its work, appoint and dismiss its members, and determine their rewards in light of the relevant regulations and the work regulations of each of the committees.

Article (24): the board members remunerations:

1. The remuneration for members of the Board of Directors consists of a specific amount, an attendance allowance for sessions, an expense allowance, in-kind benefits, or a specific percentage of net profits. Two or more of these benefits may be combined, and the remuneration may be of varying amounts, in accordance with a policy issued by the Nominations and Remuneration Committee and approved by the Assembly.

The Board of Directors' report to the Ordinary General Assembly at its annual meeting must include a comprehensive statement of everything that each member of the Board of Directors received or was entitled to receive during the financial year in terms of bonuses, allowance for attending sessions, allowance for expenses, and other benefits. It shall also



include a statement of what the board members have received in their capacity as employees or administrative employees, and what they received for technical or administrative works or consultancies. It shall also include a list of the number of the board sessions and the sessions attended by each member.

2. An additional special remuneration may also be granted to the Chairman of the Board of Directors and the Managing Director, in addition to the remuneration stipulated for members of the Board of Directors, as decided by the Board of Directors.

Part 4: shareholders assemblies

Article (25): attending assemblies meetings:

The General Assembly shall be held in the city in which the company's head office is located or as determined by the Board of Directors. Every shareholder has the right to attend the general assemblies of shareholders, and to do so he may delegate someone other than a member of the Board of Directors on his behalf.

Article (26): the Ordinary General Assembly:

Except the matters with which the ordinary general assembly is concerned, the ordinary general assembly is concerned with all matters related to the company and it shall hold a meeting at least once per year during the six months following to the end of the company financial year. Other ordinary general assemblies may be called for meeting as needed.

Article (27): the Extraordinary General Assembly:

The extraordinary general assembly is concerned with amendment of the company articles of association except the provisions it is prohibited to amend as per the law, and the extraordinary general assembly has the right to issue decisions on matters within the terms of reference of the ordinary general assembly in the same conditions and situations decided for the last assembly.



Article (28): convocations for general assembly meetings:

The shareholders general assembly or private assemblies shall hold meetings upon convocation of the board in accordance with the Law of Companies and its regulations. The board has to call the ordinary general assembly for meeting if required by the account auditor, the audit committee or any number of shareholders representing at least 10% of the company capital. The account auditor may call the ordinary general assembly for meeting if the board has not called the ordinary general assembly for meeting within 30 days from the date of the accounts auditor's request.

The Audit Committee may request the Board of Directors to invite the company's General Assembly to convene if the Board of Directors obstructs its work or if the company is exposed to serious damage or losses. The invitation to convene the General Assembly and the agenda shall be published through any means of modern technology before the date specified for the meeting in accordance with what is stated in the relevant regulations issued. From the competent authorities, and the invitation to the General Assembly meeting must include the basic elements contained in the rules and regulations issued by the competent authorities.

Article (29): quorum of the Ordinary General Assembly:

The ordinary general assembly meeting will not be valid unless it is attended by shareholders representing at least a quarter of the company's shares that have voting rights.

If the necessary quorum is not available to hold this meeting, an invitation shall be sent for a second meeting to be held within the thirty days following the previous meeting in accordance with the method stipulated in Article 28 of these articles of association. However, the company may hold the second meeting one hour after the end of the period specified for holding the first meeting, provided that it includes: An invitation to hold the first meeting indicating the possibility of holding this meeting. In all cases, the second meeting is valid regardless of the number of shares with voting rights represented in it.



Article (30): quorum of the Extraordinary General Assembly:

The meeting of the extraordinary general assembly shall not be deemed correct unless it is attended by shareholders representing at least half of the company capital.

If the legal quorum for holding this meeting is not available, a call shall be addressed for another meeting to be held within the 30 days following to the previous meeting as per the method set forth of article 28 of these articles of association. Despite that the company may hold the second meeting after one hour from the elapse of the period fixed for holding the first meeting provided that the convocation for holding the first meeting includes a statement on the possibility to hold this meeting. In all cases, the second meeting shall be valid if it is attended by a number of shareholders representing at least a quarter of the shares of the company that has voting rights,

If the necessary quorum is not met in the second meeting, an invitation shall be sent to a third meeting to be held in the same conditions stipulated in Article 28 of this articles of association. The third meeting shall be valid, regardless of the number of shares with voting rights represented in it, after the approval of the competent authority.

Article (31): votes:

Each shareholder has one vote for each share in the ordinary and extraordinary general assemblies. Cumulative voting must be used to elect members of the Board of Directors. Members of the Board of Directors may not participate in voting on the Assembly's decisions related to discharging their liabilities for the period of their management, voting on the remuneration item for the Board members, and voting on the Assembly's decision that relate to businesses and contracts in which they have a direct or indirect interest or that involve conflicts of interests.

Article (32): decisions:

Decisions of the Ordinary General Assembly are issued with the approval of the majority of voting rights represented at the meeting. The decisions of the Extraordinary General Assembly are also issued with the approval of two-thirds of the voting rights represented



at the meeting, unless the decision is related to increasing or reducing the capital, extending the duration of the company, dissolving it, merging it with another company, or dividing it into two or more companies, in which case the decision is not valid unless it is issued with the approval of three fourths of voting rights represented at the meeting.

Article (33): agenda discussion:

Each shareholder has the right to discuss the topics included in 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 does not expose the interest of the company to harm. If the shareholder finds that the response to his question is insufficient, he may resort to the Assembly and its decision shall be effective in this regard.

Article (34): general assemblies procedures:

The meetings of the general assemblies of shareholders shall be chaired by the Chairman of the Board of Directors or the Vice-Chairman in the absence of the Chairman, or by whomever the Board of Directors delegates from among its members in their absence. In the event that this is not possible, the General Assembly shall be chaired by whomever the shareholders delegate from among the Board members or by others through voting. The president appoints a secretary and vote collector, and at the assembly meeting, he draws up minutes that include the number of shareholders present, in person or on behalf, the number of shares in their possession, in person or on behalf, the number of votes assigned to them, the decisions taken, the number of votes that approved or opposed them, and a comprehensive summary of the discussions that took place at the meeting. Minutes are recorded on a regular basis. After each meeting, there is a special register signed by the assembly president, secretary, and vote collectors.



Part 5: accounts auditor

Article (35): appointment of account auditor:

The company shall have one or more auditors from among the auditors licensed to work in the Kingdom. He shall be appointed and his costs shall be determined by the General Assembly. The term and scope of his work shall be determined. He may be reappointed, provided that the period of his work shall not exceed the period specified in the relevant laws and regulations. The Assembly may at any time terminate him without prejudice to his right to Compensation for the damage caused to him if it is necessary. In urgent circumstances, the Board of Directors may terminate the auditor and appoint another auditor. Termination and appointment shall be presented to the nearest general assembly. The Chairman of the Board of Directors must inform the competent authorities of the termination decision and its reasons within the period specified in the relevant regulations.

The auditor may resign from his work pursuant to a written notification that he submits to the company, and his work ends from the date of submission or at a later date specified in the notification, without prejudice to the company's right to compensation for the damage that befalls it if necessary. The resigned auditor shall submit to the company at submission of the notification, a statement of the reasons for his retirement must be given to the competent authority. The Board of Directors must invite the General Assembly to convene to consider the reasons for the resignation and appoint another auditor.

Article (36): powers of accounts auditor:

The auditor has the right at any time to review the company's documents, accounting records, and supporting documents. 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 matters within the scope of his work. The Board of Directors must enable him to perform his duty, and if the auditor encounters difficulty in this regard, he must prove that in a report submitted to the Board of Directors. If the Board does not facilitate the auditor's work, he must request the Board of Directors to invite the General Assembly to convene to consider the matter, and the auditor may The accounts may direct



this invitation if the Board of Directors does not send it within thirty days from the date of the auditor's request.

Part (6): the company accounts and profits distribution

Article (37): financial year:

The company financial year starts on 1 January and ends on 31 December of every Gregorian year.

Article (38): the company accounts and financial reports:

1. At the end of each fiscal year of the company, the Board of Directors must prepare the company's financial statements and a report on its activity and financial position for the past fiscal year. This report includes the proposed method for distributing profits. The Board places these documents at the disposal of the auditor forty-five days before at least the date set for the General Assembly to be held.

2. The company's Chairman of the Board of Directors or whomever the Board delegates, its CEO and its Financial Director must sign the documents referred to in paragraph (1) of this Article and publish them on the Financial Market (Tadawul) website at least 21 days before the date set for the General Assembly.

Article (39): making reserves:

1. The Ordinary General Assembly may - based on a proposal from the Board of Directors, at determining the amount of shares in the net profits- decide to form reserves, to the extent that achieves the interest of the company or ensures the distribution of fixed profits - as much as possible - to the shareholders. The aforementioned assembly may also deduct from Net profits amounts to achieve social purposes for the company's employees.

2. The Ordinary General Assembly may - based on the proposal of the Board of Directors - decide to spend these reserves - and the reserves that the shareholders previously decided to avoid, including any reserves that were set aside in accordance with any regulatory



requirements that preceded the date of adoption of this bylaw for the benefit of the company.

Article (40): profits distribution:

1. The General Assembly shall determine the percentage that must be distributed to shareholders from the net profits after deducting reserves, if any, based on a recommendation from the Board of Directors in accordance with what the regulations require in this regard.
2. Based on the recommendation of the Board of Directors, the company may, under these articles of association, distribute profits to its shareholders at any time, whether quarterly, semi-annually, annually, or exceptional profits, from distributable profits and retained profits in accordance with the audited or examined financial statements, and in accordance with the regulations issued by Competent authorities.
3. based the recommendation of the Board of Directors and the approval of the General Assembly, the company may not pay dividends to shareholders.

Article (41): profits accruals:

The shareholder is entitled to his share in the profits in accordance with the decision of the General Assembly or the decision or recommendation of the Board of Directors - as the case may be - issued in this regard. The decision shall indicate the due date and the date of distribution. Eligibility for the dividends shall be for the owners of the shares registered in the shareholders' registers at the end of the day specified for entitlement, and the dividends scheduled for distribution shall be paid to the shareholders. In accordance with what is specified in the regulations issued in this regard.

Article (42): distribution of premium shares profits:

1. If the company does not distribute dividends for any financial year, it is not permissible to distribute dividends for the following years except after paying the specified percentage



in accordance with what is stipulated in the Companies Law to the holders of premium shares for this year.

2. If the company fails to pay the owners of preferred shares the specified percentage of the company's net profits after deducting reserves - if any - for a period of three consecutive years, then the special assembly of the owners of these shares held in accordance with the provisions of the Companies Law may decide that they should attend the company's general assembly meetings and participate in voting. This is until the company is able to pay all priority dividends allocated to the owners of these shares for those years, and each premium share shall have one vote in the general assembly meeting. In this case, the holder of premium share has the right to vote on all items on the agenda of the ordinary general assembly without exception.

Article (43): the company losses:

If the losses of the joint-stock company reach half of the issued capital, the board of directors must disclose that and the recommendations it has reached regarding those losses within (sixty) days from the date of his knowledge of reaching this amount, and call the extraordinary general assembly to meet within (one hundred and eighty) days from The date of knowledge of this to consider the continuation of the company while taking any of the necessary measures to address or resolve those losses.

Part (7): disputes

Article (44): Responsibility lawsuit :

1. The company may file a liability lawsuit against the members of the Board of Directors due to violating the provisions of the companies' law or articles of association, or due to their errors, negligence, or negligence in performing their work, resulting in damages to the company. The General Assembly or shareholders decide to file this lawsuit and appoint someone to assume it on behalf of the company. If the company is in the process of liquidation, the liquidator will file the lawsuit, and in the event that any liquidation



procedures are opened against the company in accordance with Bankruptcy Law, this lawsuit will be filed by someone who legally represents it.

2. one or more shareholders representing five percent of the company capital may file the liability lawsuit prescribed for the company in the event that the company does not file it, taking into account that the primary purpose of filing the lawsuit is to achieve the company interests, and that the lawsuit is based on a valid basis. The plaintiff must be in good faith and a shareholder of the company at the time of filing the lawsuit.

3. In order to file the lawsuit referred to in Paragraph (2) of this Article, it is required to notify the members of its board of directors of the intention to file the lawsuit at least (fourteen) days before the date of its filing.

4. The shareholder has the right to file a personal lawsuit against the members of the Board of Directors if the mistake they made would cause him personal harm.

Part (8): the company dissolution and liquidation

Article (45): the company dissolution and liquidation:

The company expires due to one of the reasons of expiration mentioned in the Companies Law, and upon its expiration, the company enters the stage of liquidation in accordance with the provisions of the Companies Law. If the company expires and its assets are not sufficient to repay its debts or it is in default according to the Bankruptcy Law, it must apply to the competent judicial authority to open any of the liquidation procedures in accordance with the Bankruptcy Law.

Part (9): final provisions

Article (46): the Law of Companies:

the Law of Companies shall be applied to all that is not mentioned in these articles of association



Article (47): publishing :

These articles of association shall be deposited and published in accordance with the Law of Companies.

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