



# Independent Auditor's Report



## KPMG Professional Services

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Commercial Registration No 1010425494

Headquarters in Riyadh

## كي بي إم جي للاستشارات المهنية

واجهة روشن، طريق المطار  
صندوق بريد ٩٢٨٧٦  
الرياض ١١٦٦٣  
المملكة العربية السعودية  
سجل تجاري رقم ١٠١٠٤٢٥٤٩٤

المركز الرئيسي في الرياض

# Independent Auditor's Report

To the Shareholders of Saudi Company for Hardware SACO (A Saudi Joint Stock Company)

## Opinion

We have audited the consolidated financial statements of **Saudi Company for Hardware SACO** (the "Company") and its subsidiary (collectively referred to as "the Group"), which comprise the consolidated statement of financial position as at 31 December 2023, the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the consolidated financial statements, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA").

## Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) (the Code), that is endorsed in the Kingdom of Saudi Arabia, that are relevant to our audit of the consolidated financial statements, and we have fulfilled our other ethical responsibilities in accordance with the Code's requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

# Independent Auditor's Report (Continued)

To the Shareholders of Saudi Company for Hardware SACO (A Saudi Joint Stock Company)  
(Continued)

Key Audit Matter (continued)	
<p><b>Assessing impairment of the Goodwill</b> – See note (3) to the consolidated financial statements for the accounting policy relating to goodwill and impairment of non-financial assets and note (7) for the related disclosures.</p>	
The key audit matter	How the matter was addressed in our audit
<p>At 31 December 2023, the Group has a goodwill amounting to Saudi Riyals 22,4 million, which arose from the business combination through the acquisition of the subsidiary, Medscan Terminal Company Limited, in 2016.</p> <p>The management performs impairment assessments related to this goodwill, at least annually.</p> <p>In performing such impairment assessment, management compares the carrying value of cash-generating unit (“CGU”) (Medscan Terminal Company Limited) to which goodwill had been allocated with their respective recoverable amount, being the higher of fair value less costs of disposal and value in use, to determine if any impairment loss should be recognized.</p> <p>The recoverable amount of the identified CGU was determined based on Value-In-Use (“VIU”) calculations based on discounted cash flows forecasts.</p> <p>These calculations employ a discounted cashflow (DCF) model, by using cashflow projections based on financial budgets approved by the management covering a five-year period. The Group’s VIU calculations for the CGU includes significant judgement and assumptions relating to cashflow projections, and the discount rates, and is highly sensitive to the changes in these assumptions.</p> <p>We considered impairment of goodwill as a key audit matter, as the assessment includes certain significant assumptions and involves an element of uncertainty.</p>	<p>Among other things, our procedures included the following:</p> <ul style="list-style-type: none"> <li>- evaluating the assumptions adopted in the preparation of the cash flows forecasts for the purpose of the impairment assessment of the goodwill, including projected future growth rates for income and expenses, with reference to our understanding of the business, historical trends and available industry information and available market data;</li> <li>- involving our valuation specialists to assist us in evaluating the appropriateness of methodology and discount rates used by management in the preparation of its discounted cash flows forecasts;</li> <li>- comparing the cash flows forecast prepared at the end of last year for the purpose of impairment assessment with the actual performance of the business for the current year and make enquiries of management as to the reasons for any significant variations identified, to assess whether the judgement made by management in the preparation of the cash flow forecasts in the prior year indicated possible management bias;</li> <li>- Performing our own sensitivity analysis which included assessing the impact of changes in the key assumptions, adopted in the discounted cash flow forecasts on the conclusions reached in the impairment assessment and assessing whether there were any indicators of management bias in the selection of these assumptions; and</li> <li>- Considering the adequacy of the related disclosures made by the management in the Group’s consolidated financial statements.</li> </ul>

# Independent Auditor's Report (Continued)

To the Shareholders of Saudi Company for Hardware SACO (A Saudi Joint Stock Company) (Continued)

Key Audit Matter (continued)	
Impairment assessment of non-financial assets other than goodwill – See note (3) to the consolidated financial statements for the accounting policy relating to the impairment of non-financial assets and notes (5) and (6) for the related disclosures.	
The key audit matter	How the matter was addressed in our audit
<p>As at December 31, 2023, the carrying value of the property and equipment and the right-of-use assets amounted to Saudi Riyals 324 million (2022: Saudi Riyals 364.1 million) and Saudi Riyals 249 million (2022: Saudi Riyals 343.9 million), respectively.</p> <p>The Group recorded a total impairment loss of SR 3 million (2022: Saudi Riyals 10.2 million) against property and equipment and SR 5.2 million (2022: Saudi Riyals 19.5 million) against right-of-use assets to the consolidated statement of profit or loss and other comprehensive income of the Group for the year ended 31 December 2023.</p> <p>Management has determined that each individual store and E-commerce are separate cash generating units. Management reviews the performance of each cash generating unit at the end of each reporting period to identify if there is any indication that assets may be impaired.</p> <p>Where indicators of impairment are identified, management performs impairment assessment on the recoverable amount of non-financial assets other than goodwill which is determined on a store-by-store basis and E-commerce at the greater of the value in use and the fair value less costs of disposal of these assets.</p> <p>The recoverable amount of identified CGUs was determined based on Value in use.</p> <p>In determining the value in use of individual CGU, a discounted cash flow forecast is prepared and key inputs, including future revenue growth rates, future margins, future costs and expenses of each CGU and discount rates are determined by management.</p> <p>We considered impairment of non-financial assets other than goodwill as a key audit matter because the assessment includes certain significant assumptions and involves an element of uncertainty.</p>	<p>Among other things, our procedures included the following:</p> <ul style="list-style-type: none"> <li>• Assessing the design and implementation of management's key internal controls which govern the process around assessing potential impairment of non-financial assets other than goodwill;</li> <li>• Assessing management's identification of the CGUs and the allocation of assets to the CGUs for the purposes of the impairment assessment;</li> <li>• Assessing the management's processes in identifying the indicators of impairment;</li> <li>• Comparing the significant assumptions used in stores and E-commerce discounted cash flow forecasts prepared in the prior year with the current year's performance to assess the reliability of management's forecasting process and enquiring of management for any significant variations identified;</li> <li>• Evaluating the significant assumptions used in the discounted cash flow forecasts, including future revenue growth rates, future margins and future costs and expenses, by considering the historical performance of the Group, budgets approved by management, and lease agreements signed;</li> <li>• Performing sensitivity analyses on the key assumptions, including weighted average cost of capital ('WACC'), used in the discounted cash flow forecast and assessing whether there were any indicators of management bias in the selection of these assumptions.</li> <li>• Using our internal valuation specialists to assist us in evaluating the appropriateness of methodology and discount rates used by management in the preparation of its discounted cash flow forecasts.; and</li> <li>• Considering the adequacy of the related disclosures made by the management in the Group's consolidated financial statements.</li> </ul>



## Independent Auditor's Report (Continued)

To the Shareholders of Saudi Company for Hardware SACO (A Saudi Joint Stock Company)  
(Continued)

### Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the consolidated financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, when made available to us, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

### Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA, the applicable requirements of the Regulations for Companies and Company's By-laws and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, the Audit Committee, are responsible for overseeing the Group's financial reporting process.

### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. 'Reasonable assurance' is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

# Independent Auditor's Report (Continued)

To the Shareholders of Saudi Company for Hardware SACO (A Saudi Joint Stock Company)  
(Continued)

## Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (Continued)

As part of an audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, then we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit of Saudi Company for Hardware SACO and its subsidiary.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### KPMG Professional Services

**Hani Hamza Bedairi**  
License Number: 460



Riyadh on: 29 Sha'ban 1445H

Corresponding to: 10 March 2024



# **The Report of Audit Committee**



## **Audit Committee's Annual Report**

### **For the fiscal year ended 31/12/2023**

#### **To the Shareholders of the Saudi Company for Hardware (SACO)**

The Audit Committee of the Saudi Company for Hardware (SACO) is pleased to provide the Company's Board of Directors and the Shareholders with its annual report for the fiscal year ended 31/12/2023, which includes details of its performance of its duties and responsibilities, recommendations and opinion on the adequacy of the company's internal control, financial and risk management systems, which is in compliance with the provisions of paragraph (a) of Article (88) of the updated Corporate Governance Regulations issued by the Capital Market Authority on 18/1/2023.

The current Audit Committee was formed by the General Assembly's decision dated 14/6/2023, for the session that started on 20/7/2023 to 19/7/2026, from expertise in financial, administration, internal controls and governance, from the following gentlemen:

Mr. Loutfi Echhade	Chairman, Independent Member from outside the Board
Mr. Sameer Baeisa	Independent Member from the Board
Mr. Mohammed Al Qatari	Independent Member from the Board

The company later announced the decision of its Board of Directors on 8/16/2023 to appoint Mr. Faisal Al-Fohaid as a member of the Audit Committee (independent), succeeding Mr. Sameer Baeisa who resigned from the committee due to his appointment as Chairman of the Company's Board of Directors.

The Audit Committee held eight meetings in the fiscal year 2023 during which, it performed the followings:

1. Review the company's interim and annual financial statements and discuss them with the external auditor before presenting them to the Board and provide its opinion and recommendations thereon.
2. Review the accounting policies and the financial reporting standards adopted by the company and ensure that they are updated in accordance with the International Financial Reporting Standards as endorsed in the Kingdom.
3. Review the accounting estimates and assumptions of the material matters included in the financial statements.
4. Meet with the external auditor periodically before issuing their reports to discuss the financial policies, internal control procedures and material transactions and balances.
5. Review the external auditor's comments on the interim and annual financial statements and follow up the procedures taken in connection therewith.
6. Provide recommendations to the Board to nominate external auditors and determine their remunerations in accordance with specific criteria that includes financial and technical valuation and verify their independence and that there are no restrictions on their work and their commitment to the reporting deadlines.



7. Supervise the Internal Audit Department and ensure its effectiveness in performing the work and duties that are assigned to it.
8. Review and approve the Internal Audit Plan considering the audit priorities according to the results of the updated comprehensive risks assessment.
9. Review the internal audit reports and follow up the corrective actions for the reported issues and weaknesses.
10. Evaluate the internal control systems by reviewing the internal audit reports, the management report of the external auditors and their report of observations on the company's IT systems, and reviewing the results of their works to verify the integrity of the control systems.
11. Follow up on the commitments of the company's management to implement corrective measures for the weaknesses mentioned in the internal audit reports.
12. Review and follow up any outstanding significant legal issues and provide related recommendations.
13. Review the transactions with related parties and ensure that they have been properly disclosed in the financial statements.
14. Meeting with the executive management to highlight the auditor's report on the weaknesses in IT systems they noticed through the annual audit of the financial statements, and recommend the necessity to rectify them as quickly as possible.
15. Review the Zakat status of the Company and the related consultant's report.
16. Extensive review of the impairment assessment of non-financial assets, which included a review of the significant assumptions used in the discounted cashflow forecasts for the cash-generating units and the weighted average cost of capital.

**The Audit Committee's opinion on the adequacy of the Company's internal control, financial, and risk management systems**

Based on the results of the work referred to above, the Audit Committee has noted the positive impact of the efforts made by the executive management in improving control practices and procedures in the administrative, operational and organizational aspects, and believes it is necessary to make additional efforts to strengthen and further improve the internal and financial controls, risk management and information technology department to enable the company to achieve its objectives and strategies optimally.

**Audit Committee**

**On 03/03/2024**

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# Bylaws Amendment

Article Before the suggested amendment	Article after the suggested amendment
<p><b><u>Article (4) - Participation and ownership in companies</u></b></p> <p>The Company may establish, by itself, other limited liability or closed joint stock companies, provided that their capital is no less than five (5) million Saudi riyals. The Company may own stocks and shares in other existing companies or merge with them. The Company may participate with others to establish joint stock or limited liability companies after fulfilling the requirements of the laws and instructions followed in this regard. The Company may also dispose of these stocks or shares, provided that this does not include acting as a broker in trading such stocks or shares.</p>	<p><b><u>Article (4) - Participation and ownership in companies</u></b></p> <p>The company may establish companies in accordance with the Companies law and its Implementing regulations. It can also have an interest in or collaborate with entities or companies that engage in similar activities to its own or may assist it in achieving its purposes. The company is permitted to own shares or stakes in these companies, merge with them, acquire them, or deal with these shares or stakes, provided that this does not involve acting as a broker in trading such stocks or shares.</p>
<p><b><u>Article (10) Sale of Unpaid Shares</u></b></p> <p>The shareholder is obligated to pay the value of the share on the dates specified for this, and if he fails to pay on the due date, the Board of Directors may, after being notified by announcing it in the Official Gazette or the company's website, or by notifying it by registered letter sell the share in the public auction or the stock market, as the case may be, in accordance with the regulations set by determined by the competent authority</p> <p>The company shall collect the amounts due to it from the sale proceeds and return the remainder to the shareholder. If the sale proceeds are not sufficient to meet these amounts, the company .may collect the remainder from all the shareholder's money</p>	<p><b><u>Article (10) Sale of Unpaid Shares</u></b></p> <p>The contributor is committed to paying the value of the share on the specified dates. If they fail to meet the due date, the board of directors, after notifying them through any of the technical means, is permitted to sell the share in a public auction or in the financial market, according to the conditions determined by the competent authority.</p> <p>The company shall receive the amounts due to it from the proceeds of the sale and return the remainder to the shareholder. If the proceeds of the sale are not sufficient to fulfill these amounts, the company is permitted to recover the remainder from all the contributor's funds.</p> <p>However, the contributor who has not made the payment by the day of the sale may pay the amount due, plus the expenses incurred by the company in this regard.</p>

<p>However, the shareholder who defaulted on payment until the day of the sale may pay the value owed by him in addition to the .expenses incurred by the company in this regard</p> <p>The company cancels the sold share in accordance with the provisions of this article, gives the buyer a new share bearing the canceled share number, and indicates in the shares register that .the sale took place with the name of the new owner</p>	<p>The rights associated with the shares that have not been paid for are suspended until they are sold or the due amount is paid. The board of directors is authorized to sell the share to the contributor who has failed to make the payment within the specified period.</p>
<p><b><u>Article (11) on Issuance of Shares</u></b></p> <p>Shares are nominal and may not be issued for less than their nominal value, Rather, they may be issued for a higher value than this value. In this last case, the difference in value is added in a separate item within shareholders' equity, and it may not be distributed as dividends to shareholders. The share is indivisible in the face of the company. If the share is owned by multiple people, they must choose one of them to represent them in the use of the rights related to it, and these people are jointly responsible for the obligations arising from the ownership of the share.</p>	<p><b><u>Article (11) issuance of company shares:</u></b></p> <p>The shares of the company are nominal and indivisible against the company. If it is owned by several persons, they must choose one of them to act on their behalf in the use of the rights related to it. These persons shall be jointly liable for the obligations arising from the ownership of the share. The company may change the nominal value to be lower or higher, depending on the controls set by the competent authority, and in this last case the value difference is added in a separate item within the shareholders' rights.</p>
<p><b><u>Article (14) to increase the capital</u></b></p> <p>The Extraordinary General Assembly may decide to increase the capital of the company, provided that the capital has been paid in full, it is not required that the capital has been paid in full if the unpaid part of the capital belongs to shares issued in exchange for converting debt instruments or financing instruments into share and the period set for converting them into shares has not expired.</p>	<p><b><u>Article (14) - Capital increase</u></b></p> <ol style="list-style-type: none"> <li>1- The Extraordinary General Assembly may approve an increase Company capital. The provided capital must has been paid in full, except in circumstances where the unpaid portion of the capital relates to shares held by the Company resulting from return for converting debt or financial bonds or other financial instruments into shares and the period specified for their conversion has not yet expired.</li> <li>2- in all cases, the extra ordinary general assembly may allocate all the shares issued as a result of capital increase or part of</li> </ol>

2-The Extraordinary General Assembly may, in all cases, allocate the shares issued upon the capital increase, or part thereof, to employees of the company and its subsidiaries or some of them, or any of them. Shareholders may not exercise the right of priority when the company issues the shares allocated to employees.

3-The shareholder who owns the share at the time of the issuance of the extraordinary general assembly's decision approving the capital increase has priority in subscribing to the new shares issued in exchange for cash shares. and its end.

4-The Extraordinary General Assembly has the right to suspend the priority right of the shareholders to subscribe to the capital increase in exchange for cash shares or to give priority to non-shareholders in the cases it deems appropriate for the interest of the company.

5-The shareholder has the right to sell or relinquish the right of priority during the period from the time of the issuance of the General Assembly's decision approving the capital increase until the last day of subscribing to the new shares associated with these rights, in accordance with the regulations set by the competent authority.

6-Taking into account what was mentioned in paragraph (4) above, the new shares shall be distributed to the priority rights holders who requested subscription, in proportion to their pre-emptive rights out of the total pre-emptive rights resulting from the capital increase, provided that what they receive does not exceed the shares they requested. the new shares, and the remainder of the

it to the company's employees or subsidiaries' employees, the shareholders may not exercise his pre-emption right on shares allocated to employees.

3- Shareholders who own shares at the time of the extraordinary general assembly's decision to approve the increase in the company's capital have priority in subscribing to the new shares issued against cash contributions. These shareholders are informed of their priority through the disclosure mechanisms prescribed by the relevant regulations

regarding the decision to increase the capital, the subscription terms, its duration, and the start and end dates.

4- The extraordinary general assembly has the right to suspend the application of the preemptive rights of shareholders in the subscription for an increase in capital against cash contributions or to grant priority to non-shareholders in cases that it deems beneficial to the company.

5- Shareholders have the right to sell or transfer their preemptive rights for monetary or non-monetary consideration in accordance with the regulations.

6-Subject to paragraph 4 above, the new shares shall be distributed to holders of pre-emptive right who requested subscription in proportionate to their pre-emptive right of the total pre-emptive rights resulting from the capital increase, provided that the shares they receive do not exceed the amount of new shares they requested. The remainder of the new shares shall be distributed to holders of pre-emptive right who requested more than their respective shares in proportionate to their pre-emptive right of the

<p>new shares shall be distributed to the priority rights holders who requested more than their share, In proportion to the priority rights they own from the total priority rights resulting from the capital increase, provided that what they receive does not exceed what they requested from the new shares, and the remaining shares are offered to third parties, unless the extraordinary general assembly .decides or the financial market system provides otherwise that</p>	<p>total pre-emptive rights resulting from the capital increase, provided that the shares they receive do not exceed the amount of new shares they requested. The remaining shares shall be offered to third parties, unless the Extraordinary General Assembly decides or the CML states otherwise.</p>
<p><b><u>Article 15: Capital Reduction</u></b></p> <p>The Extraordinary General Assembly may decide to reduce the capital if it exceeds the company's need or if it suffers losses. In the latter case alone, the capital may be reduced below the limit stipulated in Article (fifty-fourth) of the Companies Law</p> <p>The reduction decision shall not be issued except after reading a special report prepared by the auditor on the reasons for it, the obligations of the company, and the effect of the reduction in these obligations.</p> <p>If the capital reduction is a result of it being more than the company's need, the creditors must be invited to express their objections to it within sixty days from the date of publishing the reduction decision in a daily newspaper distributed in the area in which the company's head office is located. If one of the creditors submit his objection and submits his documents to the company on the aforementioned date, the company must pay him his debt if it is present, or provide him with a sufficient guarantee to pay it if it is due.</p>	<p><b><u>Article (15) - Capital Reduction</u></b></p> <p>The extraordinary general assembly may decide to reduce the company's capital if it exceeds the company's needs or if the company has incurred losses. In the latter case, it is only permissible to reduce the capital to below the limit set by the Companies Law. The resolution to reduce the capital shall only be issued after presenting a statement at the general assembly prepared by the Board of Directors about the reasons justifying the reduction, the company's obligations, and the impact of the reduction on meeting these obligations. This statement should be accompanied by a special report prepared by the auditors on the justifications for the reduction, the company's obligations, and the impact of the reduction on these obligations.</p> <p>If the reduction of capital is a result of exceeding the company's needs, the creditors must be invited to express their objections to the reduction at least forty-five days before the date set for the extraordinary general assembly meeting to decide on the reduction. The invitation must include a statement indicating the amount of the capital before and after the reduction, the meeting date, and the effective date of the reduction. And If any of the creditors objects to the reduction and submits their documents to the company within the specified timeframe, the company must settle their debt if it is due, or provide sufficient security for deferred payments.</p>

<p style="text-align: center;"><b><u>New article to be added</u></b></p>	<p><b><u>Article (16) -Issuance of Sukuk and Bonds:</u></b></p> <p>The company is permitted to issue debt instruments or tradable Sukuk in accordance with the principles of Islamic Sharia and under the regulations of the financial market and any other relevant regulations.</p>
<p><b><u>Article 16: Composition of the Board of Directors</u></b></p> <p>The company is managed by a board of directors consisting of (9) nine members appointed by the general assembly of shareholders .for a period not exceeding three years</p>	<p><b><u>Article (17) – Board composition</u></b></p> <p>The company is managed by a board of directors consisting of nine members elected by the ordinary general assembly for a term not exceeding four years. They may be re-elected for consecutive terms.</p>
<p><b><u>Article 17: The termination of the board of directors' membership</u></b></p> <p>The membership of the Board shall terminate upon the expiry of its term or upon the expiry of the member's validity thereto in accordance with any system or instructions in force in the Kingdom. However, the Ordinary General Assembly may at any time dismiss all or some of the Board members, without prejudice to the dismissed member's right towards the company to claim compensation if the dismissal occurred for a reason other than</p>	<p><b><u>Article (18) Expiry of Board of director's Membership:</u></b></p> <p>Membership of the Board of Directors ends with the end of the term of the Board, or with the member's resignation, death, dismissal by the General Assembly, or its termination upon a recommendation from the Board to the General Assembly, or if he is convicted of a crime involving moral turpitude or dishonesty, or if he is declared bankrupt, or becomes unfit for membership of</p>

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 liable before the company for the damages resulting from the retirement.

the Board in accordance with the terms of membership of the Board of Directors. Or for any system or instructions in force in the Kingdom, and in the event that one or more shareholders request that they have the right to request the removal of members of the Board of Directors, the Board must include in the invitation to the General Assembly the necessary data according to what is stated in the relevant regulations, and in the event of the resignation of a member of the Board of Directors and he has Notes on the company's performance, he shall submit a written statement to the Chairman of the Board of Directors, and it shall be presented to the members of the Board.

In the event of the termination of the term of the Board of Directors, its members shall continue to perform their duties until the election of the Board of Directors for a new term, provided that the period of their continuity does not exceed the period specified in the relevant laws and regulations, and the Board of Directors shall take the necessary measures in this regard before the end of the continuation period.

In the event that the chairman and members of the board of directors retire, they must call the general assembly to convene to elect a new board of directors within the period specified by law for the board's retirement, and the retirement will only take effect after the election of the new board.

**Article Eighteen: Vacant Position in the board of directors**

**Article (19) Vacant Post in the Board of Directors:**



If the position of a member 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 sufficient .experience

This must be reported to the Ministry of Commerce and Investment and the Capital Market Authority within five working days from the date of appointment. The appointment must be presented to the Ordinary General Assembly in its first meeting, and 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 its members from the minimum stipulated in the Companies Law, the remaining members must call the Ordinary General Assembly to convene within sixty days to elect the necessary number of members.

**Article Nineteen: Powers of the Board of Directors**

Taking into account the powers established for the General Assembly, the Board of Directors shall have the widest powers in managing the company in achieving its objectives, drawing up its policies, determining its investments, supervising its business and funds, and disposing of its affairs inside and outside the Kingdom. He may, for example, but not be limited to, represent the company in its relations with third parties, governmental and private agencies, arbitration bodies, police departments, chambers of commerce and industry, private bodies, companies and institutions of all kinds, and entering into tenders, receiving, payment and acknowledgment, and the Board has the right to sign all types of contracts, documents and documents, including

If the position of one of the members of the Board of Directors becomes vacant and this vacancy does not result in a breach of the conditions necessary for the validity of the meeting of the Board because the number of its members is less than the minimum stipulated by law, the Board may temporarily appoint another member in the vacant position, provided that he has experience and competence. The competent authority shall be notified of this within the period specified by law from the date of appointment, provided that this appointment is presented to the General Assembly at its first meeting and the appointed member completes the term of his predecessor, or that the seat remains vacant until the end of the term of the Board of Directors, according to what the Board deems appropriate, and if the number of members decreases The Board of Directors, for the minimum required for the validity of convening its meetings, the rest of the members must invite the General Assembly within the period specified by law to elect the necessary number of members.

**Article (20) Authorities of the Board of Directors**

Subject to the terms of reference established for the General Assembly, the Board of Directors shall have the widest powers in managing the company, drawing up its policies, defining its investments, supervising its business and funds, and disposing of its affairs inside and outside the Kingdom. Receiving and paying, opening accounts in their various forms, whether current or investment, credits, withdrawals and deposits with banks and all financial institutions in their various forms, including but not limited to investment funds, financing and brokerage companies and custodians, opening investment portfolios, appointing their

without limitation - the contracts of incorporation of companies in which the company participates with all its amendments, appendices and amendment decisions, and to sign agreements and instruments before the notary public and official bodies, as well as loan agreements, guarantees and securities, receipt and delivery, renting, leasing, receiving and paying, opening accounts and credits, withdrawing and depositing with banks, issuing bank guarantees, mortgaging and signing all papers, documents, checks and all banking transactions, he also has the right to appoint and dismiss employees and workers, request visas, bring in manpower from outside the Kingdom, contract with them determine their salaries, issue residencies, and transfer 'and waive guarantees.

The board may, within the limits of its competence, assign one or more of its members or third parties to carry out a specific business or certain business, provided that with regard to the sale of the company's real estate, it must include the minutes of the board of directors and the rationale for its decision to act, taking into account that the board specifies in the sale decision the reasons and justifications for him, and that the sale be close to the price of the same, and that the sale be present except in the cases decided by the Board and with sufficient guarantees, and that this act does not result in stopping some of the company's activities or making it bear other obligations.

The Board of Directors may also contract loans with funds and government financing institutions and private institutions, regardless of their duration, and may contract commercial loans whose terms do not exceed the end of the company's term, taking into account the following conditions for commercial loans with a period of more than three years.

managers and conducting everything related to them. Issuing bank guarantees, signing all papers, documents, checks and all banking transactions, establishing companies in their various forms, canceling and merging them in a manner that does not conflict with the regulations. Establishing and opening branches of the company, offices or agencies inside or outside the Kingdom of Saudi Arabia, appointing managers for the branches and defining their activities.

However, with regard to the sale of the company's real estate, the board must determine in the decision to sell the reasons and justifications for it, and that the sale is close to the ideal price, and that the sale is present except in cases that the board estimates and with sufficient guarantees, and that this disposal does not result in the cessation of some of the company's activities or Loading it with other obligations, and the Board shall obtain the necessary regulatory approvals with regard to the sale of assets whose value exceeds (50%) of its total assets, whether the sale takes place through a single transaction or several transactions, and according to the relevant laws and regulations. The Board of Directors may also contract loans with government funding funds and institutions, regardless of their duration, and it may contract commercial loans, and the Board of Directors may request facilities and loans of all kinds from commercial and Islamic banks, regardless of their value or duration, sign guarantees, request the issuance of guarantees, open credits on

That the Board of Directors specify in its decision the aspects of using the loan and how to repay it.

To take into account in the terms of the loan and the guarantees provided to it, not to harm the company, its shareholders, and the general guarantees of the creditors

The board of directors may, in the cases it deems, absolve the company's debtors of their obligations in accordance with what is in its interest, provided that the minutes of the board of directors and the rationale for its decision include the following conditions:

1-The release must take place after a full year has passed since the debt arose

2-The release shall be for a specified amount as a maximum per year for one debtor

3-Discharge is a right of the Board that may be delegated according to the terms and conditions set by the Board of Directors

The board of directors may also invest the company's money in securities, which includes- but is not limited to

Opening investment portfolios with financial companies, buying and selling shares, and managing financial and investment portfolios for the company, including the right to sign and manage all contracts and documents related to portfolios or investment accounts, trading in securities via the Internet, receiving a password, and subscribing to investment funds, including the right

behalf of the company, and sign contracts and papers Facilities and signing, endorsing and receiving promissory notes, taking into account that the conditions of the loan and the guarantees provided in commercial loans do not lead to harm to the company and its shareholders and the general guarantees to the creditors.

The Board may also grant discounts and exemptions to entities or individuals it determines, not exceeding 10% of their purchases from the company's markets. The Board of Directors shall, in the cases it deems appropriate, discharge the debtors of the company from their obligations

in accordance with what serves its interest.

<p>Subscription, redemption, transfer, and investment in other securities such as sukuk, private companies, companies, private tenders, and other things that fall under securities as determined by the Board.</p>	
<p><b><u>Article 20 Remuneration of Board Members</u></b></p> <p>The remuneration of the board of directors consists of paragraph (5) of Article 44 of this Bylaw and within the limits of what is stipulated in the Companies Law, and its bylaws, and the report of the Board of Directors to the Ordinary General Assembly must include a comprehensive statement of all that the Board members .obtained</p> <p>The administration during the fiscal year of bonuses, expense allowances and other benefits, and that it also includes a statement of what the board members received in their capacity as workers or administrators, or what they received in return for technical or administrative work or consultancy, and also includes a statement of the number of board sessions and the number of sessions attended by each member from the date of the last meeting of the General Assembly.</p>	<p><b><u>Article (21) Remunerations of Members of the Board of Directors:</u></b></p> <p>The remuneration of the members of the Board of Directors consists of a certain amount, an allowance for attendance at meetings, an allowance for expenses, or benefits in kind, or others, in accordance with the relevant regulations and in accordance with the remuneration policy approved by the company. Two or more of these benefits may be combined, and a disclosure shall be made in the annual report of the Board of Directors on the details of the policy related to remuneration according to the relevant regulations.</p>
<p><b><u>Article Twenty-first: Powers of the Chairman, Deputy, Managing Director and Secretary</u></b></p> <p>The Board of Directors appoints from among its members a chairman and a Vice Chairman and may appoint Managing Director. The position of the Chairman of the Board of Directors may not be combined with any other executive position in the company.</p>	<p><b><u>Article (22) Chairman of the Board of Directors, his deputy, managing director and secretary.</u></b></p> <p>The Board of Directors shall appoint in its first meeting - each beginning of a new term - from among its members a chairman and vice-chairman as required by the regulations, and it may appoint from</p>

The Chairman of the Board is responsible for representing the company in appearing before courts, higher and primary bodies for settling labor disputes, commercial papers committees, all other judicial committees, arbitration bodies, and civil rights, He has the right to acknowledge, demand, defend, plead, litigating, issue release, settlement, accept judgments and object to them, He has the right to delegate some or all of these powers to a member in writing.

The Chairman of the Board and the Managing Director (if appointed) collectively or individually shall be responsible for representing the company in its relations with others, with governmental and private agencies, police departments, chambers of commerce and industry, private bodies, companies and institutions of all kinds, entering into tenders, receiving, paying, acknowledging, claiming, litigating, issue release, settlement. They also have the right to sign all kinds of contracts, documents and deeds, including - Without limitation - the articles of incorporation of the companies in which the company participates and their amendments, signing agreements, instruments and evacuations before the notary public and official authorities, as well as loan agreements, guarantees and securities, following up on transactions, collecting the company's rights and paying its obligations, selling, buying, emptying, accepting, receiving, handing over, renting, leasing, receiving and paying, opening accounts, credits, withdrawal and depositing with banks, issuing bank guarantees and signing documents and checks, they also have the right to appoint employees and workers, dismiss them, contract with them, and determine their salaries, and they may appoint deputies and lawyers for the company and authorize one or more of its members or third

among its members a managing director, and it is not permissible to combine the position of the Chairman of the Board with any executive position in the company, including the position of The Managing Director or Chief Executive Officer, and the Vice-Chairman of the Board of Directors shall replace the Chairman in his absence. The Chairman shall have the power to invite the Board of Directors to a meeting and preside over the meetings of the Board and the meetings of the General Assembly of shareholders. The vote of the one who presides over the meetings of the Board shall be casting weight in the event of equality of votes in the decisions of the Board of Directors.

The chairman of the board is responsible for representing the company in official and media forums, and the chairman of the board of directors has the widest powers in managing the company and managing its affairs inside and outside the Kingdom of Saudi Arabia. Sessions in all lawsuits and appearances before Sharia courts, judicial bodies, the Board of Grievances, notaries, labor and workers offices, primary and higher committees, commercial paper committees, financial dispute settlement committees, banking dispute settlement committees, commercial dispute settlement committees, and the General Secretariat of Zakat and Tax Committees Customs, commercial fraud committees, the Control and Anti- Corruption Authority, all other judicial committees, arbitration and civil rights bodies, police departments, civil defense, chambers of commerce and industry, private bodies, companies and

parties to carry out certain work or tasks, the Managing Director is also responsible for other powers determined by the Board, the chairman of the board can also delegate some of his powers to

his deputy, as well as manage the general assemblies of shareholders.

The Board of Directors may, at its discretion, determine the

remuneration for each of the Chairman and Managing Director, in addition to the remuneration prescribed for members of the Board of Directors under this Bylaw, the board of directors appoints a secretary, whether from among its members or from a third party, and determines his remuneration. The Secretary is responsible for recording the minutes of the Board of Directors' meetings, recording and keeping the decisions issued by these meetings, in addition to exercising other powers assigned to him by the Board, the term of the chairman, his deputy, the managing director, and the secretary of the board of directors shall not exceed the term of their membership in the board, and they may be re-elected and the board may dismiss them or any of them at any time without prejudice to the right of the dismissed members to be compensated if the dismissal occurred for an illegal reason or at a time other than Appropriate.

institutions of all kinds, entering into tenders, arresting, paying and receiving rights with others. Acknowledgment, claim, defense, pleading, litigation, concession, hearing claims and responding to them, conciliation, waiver and denial, requesting an oath, refusing and refraining from it, bringing witnesses and evidence, contesting and preempting, accepting judgments, objecting, answering, wounding and amending, appealing for forgery, denying lines, seals and signatures, requesting a travel ban and its removal, and requesting Application of Article (230) of the Law of Legal Proceedings, requesting appeal, requesting reconsideration, requesting rehabilitation, requesting pre-emption, requesting attachment, implementing judgments and opposing them, receiving what happens from execution, receiving judgment instruments, requesting judges to step aside, requesting inclusion and intervention in lawsuits, and producing evidence arguments, He requested the amendment of title deeds and their lengths, and he also has the right to sign all types of contracts, documents and papers, whether manually or through a mediator or electronic networks, including without limitation the founding contracts of companies in which the company participates and their amendments and all the decisions of the partners in those companies, including the decisions to raise Reducing capital, assigning and buying shares, documenting contracts and signing with the Companies Department at the Ministry of Commerce and the Notary Public, making amendments, changes, additions and deletions, extracting and

renewing commercial records, receiving and deleting them, changing the names of companies, and signing agreements, instruments and discharges before notaries and official authorities, (as well as loan agreements, guarantees and guarantees After the approval of the Board of Directors) and waiver of priority in paying the company's debts, issuing legal agencies on behalf of the company, following up on transactions, collecting the company's rights and paying its obligations, selling, buying, emptying and accepting it, receiving the price in any way he sees, receiving and delivering, renting and leasing, receiving and paying, and opening accounts in all its forms Various, whether current and investment, credits, withdrawals and deposits with banks, issuance of bank guarantees, signing all papers, documents, checks and all banking transactions, and investing the company's funds to achieve its purposes in the local and foreign market. He also has the right to appoint and dismiss employees and workers, request visas and recruit manpower from outside the Kingdom. Saudi Arabia, contracting with them and determining their salaries, issuing residencies, transferring and waiving guarantees, establishing and opening branches of the company, offices or agencies inside or outside the Kingdom of Saudi Arabia, appointing managers for branches and determining their activities. He also has the right to register businesses, names, agencies and trademarks, and request renewal of agencies and marks. He may appoint agents, lawyers, auditors, and legal accountants on behalf of the company,

appoint representatives of the company and its managers in subsidiaries and investees in it, and attend the general assemblies of companies in which the company participates or contributes, and he may authorize, by a written decision, one or more of its members or third parties to carry out work. or certain works and give them the power to delegate others.

The Managing Director shall enjoy the powers determined by the Board of Directors from time to time.

The Board of Directors determines, at its discretion, the special remuneration to be received by the Chairman and the Managing Director, in addition to the remuneration prescribed for the members of the Board of Directors in accordance with this regulation.

The Board of Directors appoints a secretary for the Board, who chooses him from among its members or from others, determines his remuneration, and is responsible for documenting the meetings of the Board of Directors and preparing minutes for them, and documenting the decisions issued by these meetings and the results of voting on them, and keeping them, and these minutes are signed by the meeting chairperson, all attending members, and the secretary, In addition to exercising other competencies entrusted to him by the Board of Directors and as determined by the relevant regulations.

The term of membership of the Chairman, his deputy, the managing director, and the secretary, a member of the Board of



	<p>Directors, shall not exceed the membership of each of them in the Board, and it is always permissible to re-appoint them, and the Board may at any time dismiss them or any of them without prejudice to their right to compensation if the dismissal occurred for an illegal reason or at an inappropriate time.</p>
<p><b><u>Article Twenty-Two: Invitation to the Board of Directors Meeting:</u></b></p> <p>The council meets at the invitation of its president at least twice a year, and the invitation is by any means that achieves notification. The chairman of the council must call the council to a meeting whenever two members request it</p>	<p><b><u>Article (23) Meetings of the Board of Directors:</u></b></p> <p>The Board of Directors meets at the invitation of its Chairman (four) times at least a year, and the invitation is by any of the appropriate notification methods. The Board of Directors shall determine the place for holding its meetings, and it may be held through technical means.</p>
<p><b><u>Article Twenty-Three: Quorum of the Board Meeting</u></b></p> <p>The meeting of the Board shall not be valid unless attended by at least half of the members, provided that the number of attendees is not less than three members. A member of the Board of Directors may delegate other members to attend the Board :meetings in accordance with the following controls</p> <p>1-A member of the Board of Directors may not represent more .than one member in attending that meeting</p> <p>2-The proxy must be fixed in writing and in the matter of a specific .meeting, and it can be sent by e-mail</p> <p>3-The representative may not vote on decisions in which the .system prohibits the representative from voting</p>	<p><b><u>Article (24) Board Meeting's Quorum</u></b></p> <p>The meeting of the Board shall not be valid unless attended by at least half of the members (principally and on behalf). In the event that a member of the Board of Directors delegates another member to attend the meetings of the Board, the delegation must be in accordance with the following controls:</p> <ol style="list-style-type: none"> <li>1) The deputy member shall not have more than one deputation to attend that meeting.</li> <li>2) The delegation must be established in writing or by any of the technical means and for a specific meeting.</li> <li>3) The representative may not vote on decisions that the system prohibits the representative from voting on.</li> </ol> <p>The decisions of the Board of Directors are issued by a majority of the votes of the members of the Board present (in person and on</p>

<p>The decisions of the board of directors are issued by the majority of the votes of the members present or represented in the meeting, and when the votes are equal, the vote that the chairperson voted for shall prevail. The Board of Directors may issue resolutions by passing by presenting them to all members separately for deliberation, unless one of the member requests in writing to hold a meeting of the Board for deliberation and</p> <p>these decisions are presented to the Board of Directors in its first following meeting</p> <p>Board meetings may be held over the phone or any other</p> <p>electronic means of communication that allows all members</p> <p>present to hear all other attendees. Unless otherwise notified, a member of the Board of Directors who participates by phone or any other electronic means of communication is considered to be present for the duration of the meeting</p>	<p>behalf) at least, and when the votes are equal, the side with which the chairman of the meeting voted will prevail. To issue decisions in urgent matters by presenting them to all members by circulation, unless one of the members requests in writing the meeting of the Council to deliberate on it, and those decisions are issued with the approval of the majority of votes and these decisions are presented to the Council in its first subsequent meeting to record them in the minutes of that meeting.</p>
<p>Article Twenty-four: Council deliberations</p> <p>The deliberations and decisions of the Board of Directors shall be recorded in minutes signed by the Chairman of the Board, the members of the Board of Directors present and the Secretary. These minutes shall be recorded in a special register signed by</p> <p>the Chairman of the Board of Directors and the Secretary.</p>	<p>Article (25) Deliberations of the Board of Directors: The board's deliberations and decisions are recorded in minutes prepared by the secretary and signed by the chairman of the meeting, the attending members of the board of directors, and the secretary. These minutes are recorded in a special register signed by the chairman of the board and the secretary. Technical means may be used to sign and record the deliberations and decisions and record the minutes.</p>
<p>Nothing</p>	<p>Article (26): Evaluation of Board Decisions: A member of the Board of Directors of the company is considered</p>

	<p>to have fulfilled his duty in the decision he took or voted on in good faith if the following is achieved:</p> <ol style="list-style-type: none"> <li>1) If he has no interest in the subject matter of the decision.</li> <li>2) If he understands and understands the issue of the decision to the appropriate extent in the surrounding circumstances according to his reasonable belief.</li> <li>3) If he firmly and rationally believes that the decision achieves the interests of the company.</li> </ol> <p>The burden of proving otherwise rests with the plaintiff, and the decision means for the purposes of this Article to act or not to act in a matter related to the company's business.</p>
Nothing	<p>Article (27) The Executive Committee: The Board of Directors may form an executive committee from among its members or others consisting of at least three members, and the Board of Directors determines the method of work of the committee and its terms of reference.</p>
Nothing	<p>Article (28) Formation of the Audit Committee: By a decision of the company's board of directors, an audit committee shall be formed of non-executive members of the board of directors, and the number of its members shall not be less than three members, provided that among them is an independent member in accordance with the regulations issued by the competent authorities, and that among them there is a member specialized in financial and accounting affairs, and that the assembly issues Based on the proposal of the Board of Directors, the committee's work regulations should include the</p>

	<p>controls and procedures of its work, its tasks, the rules for selecting its members, the method of their nomination, the duration of their membership, their remuneration and the mechanism for temporarily appointing its members in the event of a vacancy in one of the committee members' seats.</p> <p>The committee shall prepare a report detailing its performance of its competencies and tasks, and it shall include its recommendations and opinion regarding the adequacy of the system of internal and financial control and risk management system, and a summary of the report is recited during the meeting of the General Assembly.</p>
<p>Nothing</p>	<p>Article (29) Remuneration and Nomination Committee:  The Remuneration and Nominations Committee shall be formed by a decision of the Board of Directors, consisting of not less than three executive members of the Board of Directors, provided that one of them is an independent member and in accordance with the regulations issued by the competent authorities. Its work procedures and tasks, the rules for selecting its members, how to nominate them, the duration of their membership, their remuneration, and the mechanism for temporarily appointing its members in the event of a vacancy in one of the committee members' seats.</p>
<p>:Article 25: Attending Assemblies</p> <p>Each shareholder has the right to attend the general assembly of shareholders, and for this he may delegate another person other than the members of the board of directors or the company's employees to attend the general assembly on his behalf.</p>	<p>Article (30) Holding General Assemblies:  The General Assembly convenes in the city in which the company's head office is located or as determined by the Board of Directors. Each shareholder has the right to attend the meeting of the General Assembly of Shareholders, and in that he may appoint another person other than a member of the Board of</p>

	<p>Directors to attend the General Assembly. Meetings of the General Assembly may be held The shareholder's participation in deliberations and voting on decisions by means of technology and in accordance with the controls specified by the competent authorities.</p>
<p><b><u>Article 26: Functions of the Ordinary General Assembly</u></b></p> <p>With the exception of the matters of the Extraordinary General Assembly, the Ordinary General Assembly is concerned with all matters relating to the company, and it convenes at least once a year during the six months following the end of the company's financial year. Other ordinary general assemblies may be called whenever the need arises.</p>	<p><b><u>Article (31) Authorities of the Ordinary General Assembly</u></b></p> <p>Except for matters related to the extraordinary general assembly, the ordinary general assembly is concerned with all matters related to the company, and it convenes at least once during the (six) months following the end of the company's fiscal year. Other ordinary assemblies may be called whenever the need arises, and the agenda must include The work of the assembly at its annual meeting is the items approved by the relevant regulations, and the requirement of convening the annual ordinary general assembly is achieved by convening an extraordinary general assembly during the (six) months following the end of the company's fiscal year by including its agenda on the items that must be presented at the annual ordinary general assembly meeting and as specified by the regulations related to.</p>
<p><b><u>Article 27: Functions of the Extraordinary General Assembly</u></b></p> <p>The Extraordinary General Assembly is competent to amend the company's articles of association, except for the provisions that are prohibited from amending by law. It may issue resolutions on matters within the competence of the OrdinaryGeneral Assembly, under the terms and conditions prescribed for the Ordinary General Assembly.</p>	<p><b><u>Article (32) Authorities of the Extraordinary General Assembly</u></b></p> <p>The extraordinary general assembly is concerned with amending the company's articles of association, with the exception of provisions that it is prohibited to amend by law, and it may issue decisions in matters within the competence of the ordinary general assembly, with the same terms and conditions prescribed for the last assembly.</p>

**Article Twenty-Eighth: Calling the assembly to meet**

Shareholders' general assemblies are convened at the invitation of the Board of Directors, and the Board of Directors must invite the Ordinary General Assembly if requested by the auditor, the audit committee, or a number of shareholders representing at least five (5%) percent of the capital. The auditor may call the assembly to convene if the board did not

invite the assembly within thirty days from the date of the auditor's request.

The invitation to convene the general assembly shall be published in a daily newspaper distributed in the company's head office at least twenty-one days before the date fixed for the meeting, and a copy of the invitation and the agenda shall be sent to the Ministry of Commerce and Investment and to the Capital Market Authority during the period specified for publication.

**Article Thirty: Quorum of the Ordinary General Assembly Meeting**

The meeting of the Ordinary General Assembly is not valid unless it is attended by shareholders representing at least one quarter of the capital. possibility of holding this meeting. In all cases, the second meeting shall be valid regardless of the number of shares represented therein.

**Article (33) Invitation for the General Assemblies:**

Shareholders' general assemblies convene at the invitation of the Board of Directors, and the Board of Directors must invite the General Assembly to convene within (30) days from the date of the auditor's request or one or more shareholders representing (ten percent) of the company's shares that have at least voting rights. The auditor may Invitation of the Ordinary General Assembly to convene if the Board does not invite within the specified period from the date of the auditor's request, and the invitation to convene the General Assembly and the agenda shall be published through any of the technical means before the date specified for the convening in accordance with what is stated in the relevant regulations issued by the competent authorities, and that The invitation to the meeting of the General Assembly shall include the basic elements contained in the rules and regulations issued by the competent authorities, and a copy of the invitation shall be sent to the competent authorities on the date of announcing the invitation.

**Article (35) Quorum of the Ordinary General Assembly Meeting**

The meeting of the Ordinary General Assembly shall not be valid unless attended by shareholders representing at least a quarter of the shares of the company that have voting rights. If the quorum is not available at this meeting, an invitation shall be directed to a second meeting to be held within (30) thirty days following the date specified for the previous meeting. However, it is permissible The second meeting shall be held an hour after the expiration of the time limit set for the first meeting, provided that the invitation to hold the first meeting includes evidence of this, and the invitation shall be announced in the manner stipulated in Article (33 ) of this bylaw, and the second meeting shall be considered

	valid, regardless of the number of shares that have voting rights represented. in it.
<p><b><u>Article 31: Quorum for the Extraordinary General Assembly meeting</u></b></p> <p>The Extraordinary General Assembly meeting shall not be valid unless attended by shareholders representing at least half of the capital. If the necessary quorum is not available to hold this meeting, the second meeting shall be held one hour after the end of the period specified for convening the first meeting, provided that the invitation to hold the first meeting includes an announcement of the possibility of holding this meeting. In all cases, the second meeting shall be valid if attended by a number of shareholders representing at least a quarter of the Capital.</p> <p>If the necessary quorum is not available in the second meeting, an invitation is sent to a third meeting to be held in the same conditions stipulated in Article (Twenty-eighth) of this bylaw, and the third meeting will be valid regardless of the number of shares represented therein, after approval of the competent authority.</p>	<p><b><u>Article (36) Quorum of the Extraordinary General Assembly Meeting:</u></b></p> <p>The meeting of the Extraordinary General Assembly shall not be valid unless it is attended by shareholders representing at least half of the shares of the company that have voting rights. If the quorum is not available at this meeting, an invitation is sent to a second meeting in the same conditions stipulated in Article (33) of this bylaw. Nevertheless, The second meeting may be held an hour after the expiry of the time limit set for the first meeting, provided that the invitation to hold the first meeting includes evidence of the possibility of holding that meeting. A quorum is required for the second meeting to be held, and an invitation is sent for a third meeting to be held in the conditions stipulated in Article 33 ) of this bylaw, and the third meeting is valid regardless of the number of shares that have voting rights represented in it after the approval of the competent authorities.</p>
<p>Article 32: Voting in assemblies</p> <p>Each shareholder has one vote for each share in the general assemblies, and the cumulative vote must be used to elect the .board of directors</p>	<p>Article (37) Voting in General Assemblies:</p> <p>Votes in the Ordinary General Assembly and the Extraordinary General Assembly are calculated on the basis of one vote per share, and cumulative voting must be used in electing members of the Board of Directors.</p>

	<p>Members of the Board of Directors may not participate in voting on the decisions of the Assembly in which the relevant regulations prevent their voting on them.</p>
<p><b>:Article 33: Decisions</b></p> <p>The decisions of the Ordinary General Assembly are issued by an absolute majority of the shares represented in the meeting, and the decisions of the Extraordinary General Assembly are issued by a two-thirds majority of the shares represented at the meeting, unless it is a decision related to increasing or decreasing the capital, extending the term of the company, or dissolving it before the expiry of the period specified in its articles of association or its merger With another company, it is not valid unless it is issued by a majority of three quarters of the shares represented at the Meeting.</p>	<p><b>Article (37) General Assemblies Resolutions:</b></p> <p>The decisions of the Ordinary General Assembly are issued with the approval of the majority of the voting rights represented in the meeting, and the decisions of the Extraordinary General Assembly are issued with the approval of two-thirds of the voting rights represented in the meeting, unless the decision is related to increasing or decreasing the capital or merging it with another company, in which case the decision is not valid unless it is issued with the approval of three Quarters of the voting rights represented in the meeting, and the board of directors must register with the competent authorities the decisions of the extraordinary general assembly during the period specified in the relevant regulations, and the decisions of the general assemblies are valid from the date of their issuance except for the cases specified by the relevant regulations, or the decision issued for its validity at another time, or when certain conditions are met.</p>
<p><b><u>Article 35: Presiding over associations and preparing minutes</u></b></p> <p>The meetings of the general assemblies of shareholders are chaired by the chairman of the board of directors 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.</p> <p>Minutes of the meeting of the assembly shall be drawn up containing the number of shareholders present or represented, the number of shares they hold in person or by proxy, the number of votes assigned to them, the decisions taken, the number of</p>	<p><b><u>Article (38) Presiding over the general assemblies and preparing their minutes:</u></b></p> <p>The general assembly is chaired by the chairman of the board of directors or his deputy in his absence, or whomever the board of directors delegates from among its members for that purpose in the absence of the chairman and his deputy. The number of votes approved or opposed, and an adequate summary of the discussions that took place in the meeting. Minutes are recorded regularly after each meeting in a special register signed by the president of the association, its secretary and the vote collectors.</p>



<p>votes approving or disapproving of them, and an adequate summary of the discussions that took place at the meeting.</p> <p>Minutes of meeting are taken regularly after each meeting.</p> <p>In a special register signed by the association's president, secretary and vote collector.</p>	
<p><b>Article 36: Formation of the Committee</b></p> <p>A decision of the Ordinary General Assembly shall form an audit committee consisting of three members who are not members of the executive board of directors, whether they are shareholders or others. The resolution shall specify the tasks of the committee, its work controls and the remuneration of its members.</p>	<p><b>Deleted</b></p>
<p><b>Article 37: Committee meeting quorum</b></p> <p>For a meeting of the Audit Committee to be valid, the attendance of the majority of its members is required, and its decisions are issued by a majority vote of those present.</p>	<p><b>Deleted</b></p>
<p><b>Article Thirty-Eighth: The Committee's Duties</b></p> <p>The Audit Committee is responsible for monitoring the company's business, and for this purpose it has the right to review its records and documents and to request any clarification or statement from the members of the Board of Directors or the Executive Management. It may ask the Board of Directors to invite the company's general assembly to convene if the Board of Directors obstructs its work or the company is exposed for serious damage or loss</p>	<p><b>Deleted</b></p>

<p><b>Article 39: Committee Reports:</b></p> <p>The Audit Committee shall consider the company's financial statements, reports and notes provided by the auditor, and express its views on them, if any. It shall also prepare a report on its opinion regarding the adequacy of the company's internal control system and the other work it has carried out within its jurisdiction.</p> <p>The board of directors shall deposit an appropriate copy of this report at the company's head office at least twenty-one days before the date of the general assembly meeting to provide each shareholder with a copy of it. The report is read during the assembly.</p>	<p><b>Deleted</b></p>
<p>:Article 40: Appointment of the auditor</p> <p>The company must have an auditor (or more) from among the auditors licensed to work in the Kingdom, to be appointed annually by the Ordinary General Assembly, and to determine his remuneration and the duration of his work. or for an unlawful reason</p>	<p>Article (39) Appointment of the Accounts 's auditor's</p> <p>The company shall have an auditor or more licensed auditors in the Kingdom of Saudi Arabia who shall be appointed and his fees shall be determined by the General Assembly and the duration and scope of his work. The Board of Directors may, in urgent circumstances, dismiss the auditor and appoint another auditor, and the removal and appointment shall be presented at the nearest general assembly. Accounts, the Board of Directors must invite the General Assembly to convene to consider the reasons for retirement and the appointment of another auditor, and that the controls specified in the rules and regulations related to the appointment of the auditor be taken into account.</p>
<p>Nothing</p>	<p>Article (41) Auditor's Report:</p> <p>The auditor shall submit to the General Assembly at its annual meeting a report on the financial statements of the company and shall include the position of the company in enabling him to</p>

	<p>obtain the data and clarifications he requested, and what he may have revealed of violations of the provisions of the Companies Law or the provisions of this Law within the limits of his powers, and his opinion on the extent of fairness The company's financial statements, and he must recite that report or present a summary thereof at the annual general assembly meeting.</p>
<p><b>Article 43: Financial Documents:</b></p> <p>1-At the end of each financial 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 financial year. This report includes the proposed method for distributing profits. The Board shall keep these documents available to the auditor at least forty-five days before the date set for meeting of .the General Assembly</p> <p>2-The company's board of directors, chief executive officer and financial manager must sign the documents referred to in paragraph (1) of this article, and copies of them shall be deposited at the company's head office at the shareholders disposal at least twenty-one days before the date set for holding the general .assembly</p> <p>3-The chairman of the board of directors shall provide the shareholders with the company's financial statements, the board of directors' report, and the auditor's report unless they are published in a daily newspaper distributed at the company's head office. He must also send a copy of these documents to the Ministry of Commerce and Investment and the Capital Market</p>	<p><b>Article (42) Financial Documents:</b></p> <p>At the end of each fiscal year of the company, the board of directors must prepare the financial statements in accordance with the accounting standards approved in the Kingdom, and a report on its activity and financial position for the past fiscal year. within the period specified by the regulations, and the chairman of the board of directors, its chief executive officer and its financial manager must sign the aforementioned documents and copies of them shall be deposited at the company's main center at the disposal of the shareholders according to the period specified by the law, and the chairman of the board of directors shall provide the shareholders with the company's financial statements and the report of the board of directors after signing them, and an auditor's report The accounts, unless they were published in any of the regular publishing and advertising methods, prior to the date set for the General Assembly meeting and during the period specified in the relevant laws and regulations, and depositing these documents as determined by the relevant rules and regulations.</p>

<p>Authority, at least twenty-one days before the date of the General Assembly</p>	
<p><b><u>Article 44: Dividend distribution:</u></b></p> <p>The company's annual net profits are distributed as follows:</p> <p>1-of the net profits shall be set aside to form the statutory (%10) reserve of the company, and the Ordinary General Assembly may decide to discontinue this deduction when the said reserve reaches (30%) of the paid-up capital.</p> <p>2-The Ordinary General Assembly, based on the proposal of the Board of Directors, may set aside (20%) of the net profits to form a consensual reserve to be allocated for a specific purpose or purposes.</p> <p>3-The Ordinary General Assembly may decide to form other 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 said assembly may also deduct sums from the net profits for the establishment.</p> <p>4-of social institutions for the company's employees or to assist any of these institutions. 4- From the remaining amount, a down payment shall be distributed to the shareholders equivalent to (5%) of the company's paid-up capital.</p> <p>5-Subject to the provisions stipulated in Article (Board Members Remuneration) of this Bylaw, and Article Seventy six of the Companies Law, after the above deduction, 10% of the remainder is allocated to remunerate the Board of Directors, provided that</p>	<p><b><u>Article (43) Interim/annual dividend distribution:</u></b></p> <p>The company may at any time distribute dividends to its shareholders, whether on a quarterly, semi-annual or annual basis, from the distributable profits in accordance with the audited or examined financial statements and according to the regulations issued by the competent authorities.</p>

<p>the entitlement to this remuneration is proportionate with the number of sessions the member attends.</p> <p>6-The remainder is then distributed to the shareholders as an additional share in the profits.</p>	
<p><b>Article 45: Entitlement to profits:</b></p> <p>The shareholder is entitled to his share of the profits in accordance with the decision of the General Assembly issued in this regard. The decision indicates the maturity date and the date of distribution. The eligibility of profits is to the owners of shares registered in the shareholders' records at the end of the day specified for entitlement. The assembly has the right to decide to distribute profits annually, semi-annually or quarterly. The assembly may It authorizes the Board of Directors to do this, to pay dividends, and to determine the maturity and distribution date.</p>	<p><b>Article (44) Dividends Entitlement:</b></p> <p>The shareholder is entitled to his share in the profits in accordance with the decision of the General Assembly or the decision of the Board of Directors - as the case may be - issued in this regard. The decision indicates the date of maturity and distribution. The eligibility for profits is for the shareholders registered in the company's shareholder register at the end of the day specified for maturity, and the profits to be distributed to the shareholders are paid in the place And the dates set by the Assembly or the Board of Directors - as the case Shareholders' may be - and in accordance with the instructions issued by the competent authority.</p>
<p><b>Article 47: Company losses:</b></p> <p>1-If the company's losses amount to half of the paid-up capital, at any time during the fiscal year, any official of the company or the auditor must immediately inform the Chairman of the Board of Directors, and the Chairman of tho Board of Directors must immediately inform the members of the Board of that, and the Board of Directors must within five Ten days from becoming aware of this, call the Extraordinary General Assembly to meet within forty five days from the date of his becoming aware of the losses; to decide either to increase the company's capital or reducing it in</p>	<p><b>Article (46) Company Losses:</b></p> <p>If the company's losses amount to half of the paid-up capital, the Board of Directors must disclose that and its recommendations regarding those losses within the period specified by law from the date of its knowledge of reaching that amount, and to call the Extraordinary General Assembly to convene during the statutory period from the date of its knowledge of that to consider the matter. The continuation of the company while taking the necessary measures to deal with such losses or the dissolution of the company, and the responsibility also lies with any official, manager, board member or auditor when any of them knows that</p>

<p>accordance with the provisions of the Companies Law to the extent that the percentage of losses drops to less than half of the paid-in capital, or dissolving the company before the period specified in the Companies Law</p> <p>2-The company shall be considered dissolved 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 met and was unable to issue a decision on the matter, or if it decided to increase the capital in accordance with the conditions prescribed in this article, and the entire capital increase was not subscribed to within ninety days from the issuance of the assembly's decision to increase.</p>	<p>the losses have reached the specified amount in accordance with the provisions of the Companies Law, its regulations and this law.</p>
<p><b><u>Article 48: Liability lawsuit</u></b></p> <p>Every shareholder has the right to file a liability lawsuit for the company against the members of the board of directors if the mistake made by them would cause his own harm. The shareholder may not file the aforementioned lawsuit unless the company's right to file it still exists, and the shareholder must inform the company Intent to file a lawsuit.</p>	<p><b><u>Article (47) Liability Claim:</u></b></p> <p>The company may file a liability suit against the members of the Board of Directors for violating the provisions of the Companies Law and its bylaws or this Law, due to errors, negligence or omission that may occur from them in the performance of their work and resulting in damages to the company, and to any shareholder or more who represent (five percent) of the capital The company's money is to file a liability lawsuit for the company in the event that the company does not file it, and they have the right to appoint someone to act on behalf of the company in practicing the lawsuit, bearing in mind that the main objective of filing it is to achieve the interests of the company and that the lawsuit is based on a correct basis and in good faith, and that the one who filed it at the time of the lawsuit A shareholder in the company, with the requirement to notify the members of the Board of Directors of the intention to file a lawsuit before the period specified by law for filing it, and the approval of the General Assembly of Shareholders to absolve the members of the Board of</p>

	<p>Directors from liability does not preclude filing a lawsuit in accordance with the provisions of the Companies Law, and with the exception of the two cases of forgery and fraud - the liability claim is not yet heard The lapse of five years from the date of the end of the financial year of the company in which the harmful act took place, or three years from the end of the membership of the concerned board of directors - whichever is later.</p>
<p><b>Article 49: Termination of the company</b></p> <p>As soon as the company has completed the termination stage, the company enters into liquidation stage, and retains the legal personality to the extent necessary for liquidation. The decision of voluntary liquidation is issued by the extraordinary general assembly. The liquidation decision must include the appointment of the liquidator, determining his powers and fees, restrictions imposed on his powers and the time period required for liquidation.</p> <p>The period of voluntary liquidation shall not exceed five years and may not be extended for more than that except by a court order.</p>	<p><b>Article (48) Termination of the Company:</b></p> <p>The company is terminated by one of the matters provided for in the relevant regulations, and in the event of its dissolution, the extraordinary general assembly decides, based on a proposal by the Board of Directors, the method of liquidation, appoints one or more liquidators, and determines their powers and fees, and the authority of the Board of Directors ends with the termination of the company. A liquidator is appointed, and the company's organs shall retain their competences to the extent that they do not conflict with the powers of the liquidators.</p>
<p><b>Article 50: Companies Law</b></p> <p>The Companies Law and its regulations shall apply to everything not mentioned in this Law.</p>	<p><b>Article (49) Application of relevant regulations:</b></p> <p>The relevant regulations apply to everything that is not mentioned in this Articles of Association.</p>