

Chapter One - Incorporation of The Company

Article (1):

Incorporation: In accordance with the provisions of the Companies Law, a Saudi joint stock company was incorporated, the provisions of which are set out in the following:

Article (2)

The Company's Name:

The name of this company shall be (National Gypsum Company), a Saudi joint stock company

Article (3)

Company' Purposes and Objectives:

A. The Company's Purposes and Objectives shall be manufacturing and producing gypsum and its derivatives extracted from the concession area granted to the National Gypsum Company (a Saudi joint stock company) under Royal Decree No. 5/5/583, issued on 1st of Rabi I 1376H, and The Company may, also, trade in gypsum and related materials, industries and production of materials that can be extracted from gypsum mechanically or chemically, trading in gypsum and its derivatives and the related building materials inside and outside the Kingdom, managing, operating and participating in gypsum factories of all kinds, and in achieving its purpose, it shall have the right to conclude and enter into all kinds of contracts and practice all aspects of activity that achieve its purposes. The Company exercises its activities after obtaining the applicable regulations and after obtaining the necessary licenses from the competent authorities, if any.



B. Participation in companies and holding shares therein:

The Company shall have the right to carry out all the work necessary to achieve its purposes and objectives that help to achieve these purpose and objectives, and it may have an interest or participate in the purchase of shares and interests in institutions, bodies or companies that carry out business similar to its business or may help it to achieve its purposes and objectives, whether in the Kingdom of Saudi Arabia or abroad, and that merge with it, buy it or attach it to it.

C. The Company may establish a company on its own (with limited liability or a closed joint stock) provided that the capital of such company shall not be less than five million Saudi Riyals. It may also own shares and interests in other existing companies or merge with them, and it shall have the right to participate with others in the establishment of joint stock or liability companies Ltd., after fulfilling the requirements of the regulations and instructions followed in this regard. The Company may also dispose of these shares or shares, provided that this does not include mediation in its trading.

Article (4): Head Office:

The Company's Head Office and legal domicile shall be in the city of Riyadh, and the Board of Directors may establish branches, offices or agencies for it in the Kingdom of Saudi Arabia or abroad.

Article (5):

A. Term of The Company:



The Company was established by Royal Decree No. 583/5/5 issued on 1st of Rabi I1376H (corresponding to: 27/04/1959G) The specified term 666 for The Company shall be ninety-nine Gregorian years starting from the decision of the Minister of Commerce to register The Company in the Commercial Register under No. 1010001487 And the date of 19/10/1378 H (corresponding to 05/10/1956 G), and the term of The Company may always be extended by a decision issued by the extraordinary general assembly of shareholders at least one year before the expiry of its term.

Chapter Two - Capital and Shares

Article (6):

A. Capital: The Company's capital shall be 316,666,667 (three hundred and sixteen million six hundred and sixty-six thousand six hundred and sixty-seven Saudi Riyals) divided into 31,666,667 (thirty-one million six hundred and sixty-six thousand six hundred and sixty-seven shares) the value of each share is ten Saudi Riyals.

Date	Capital		
13/03/1428H	Increasing Capital to	316.666.667	three hundred and sixteen million six hundred and sixty-six thousand six hundred and sixty-seven Saudi Riyals

B. Subscription for shares: founders and shareholders of The Company subscribed in the amount of 12,000,000 (twelve million Saudi Riyals, divided into 300,000 shares) three hundred thousand shares, the value of each share is forty (40) Saudi Riyals), all of which shall be cash shares as follows:

1.	His Royal Highness Prince/ Abdulrahman bin Abdulaziz	16.000	Value	64.0000	S.R
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2.	His Royal Highness Prince/ Nawwah bin Abdulaziz	16.000	Value	64.0000	S.R
3.	His Royal Highness Prince/ Mohammed bin Saud Al-Kabeer	16.000	Value	64.0000	S.R
4.	His Excellency Dr. Mohammed Al-Khasheggy	16.000	Value	64.0000	S.R
5.	Mr. Anas Yusuf Yaseen	12.000	Value	48.0000	S.R
6.	Mr. Adnan Mohammed Al-Khasheggy	12.000	Value	48.0000	S.R
7.	Al-Nasr Est. for Commerce and Industry (Nasr Co.)	4000	Value	16.0000	S.R
8.	Al-Nasr Co. for Gypsum Industries (Gyps Co.)	61000	Value	2440000	S.R
		153000	Value	6120000	S.R

Shareholders have subscribed in the entire capital value of 316,666,667 riyals) three hundred and sixteen million six hundred and sixty-six thousand six hundred and sixty-seven Saudi Riyals, in the form of (31,666,667) thirty-one million six hundred and sixty-six thousand six hundred and sixty-seven shares, the value of each share is 10 (ten) Saudi Riyals, and the entire amount of cash paid from the capital has been deposited with Riyadh Bank in the name of The Company.

Article (7) - Sale of shares of unfulfilled value:

A shareholder shall be obligated to pay the value of the share on the dates specified for this. The Board of Directors may be authorized by virtue of the decision of the extraordinary general assembly to sell the share in the public auction or the stock market - as the case may be) in accordance with the controls determined by the competent authority, after informing him of the methods prescribed in The Company's Articles of Association, informing it by a registered letter, or publishing the same on the Tadawul website or The Company's website.

- The Company shall collect the amounts due to it from the sale proceeds and return the remainder to the shareholder, and in case the amount of the sale



proceeds is insufficient, The Company may collect the remainder from all the shareholder's money.

- A shareholder who defaults 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.
- The Company shall cancel the sold share in accordance with the provisions of this article and gives the buyer a new share bearing the number of the canceled share and mentions in the shares register that the sale took place with the name of the new owner.

Article (8) - Issuance of Shares:

The Company's shares shall be nominal and indivisible in the face of The Company. If it is owned by several people, they must choose one of them to represent them in the use of the rights related to the share, and these people shall be jointly responsible for the obligations arising from the ownership of the share, it may be owned by Saudis, citizens of the Gulf states or another Non-Saudi investor, and shares may not be issued for less than their nominal value, but may be issued at a higher value.

The Company may purchase or mortgage its ordinary or preferred shares, and The Company may purchase its shares allotted to The Company's employees within the employee shares program in accordance with the regulations set by the competent authority. The shares purchased by The Company shall not have votes in the shareholders' assemblies.



The Company may sell treasury shares in accordance with the controls and procedures set by the competent authority. The Company may mortgage its shares as a security for a debt owed by others in accordance with the controls and procedures set by the competent authority.

Article (9) - Shareholders Register:

Shares shall be traded in the capital market in accordance with the provisions and regulations of the capital market.

Article (10) - Trading in Shares:

Subscribing to or owning shares indicates the shareholder's acceptance of The Company's Articles of Association and his commitment to the decisions issued by the shareholders' assemblies in accordance with the provisions of the law and The Company's Articles of Association, whether he is present or absent, and whether he approves or contradicts these decisions.

Article (11) - Preferred Shares:

The Extraordinary General Assembly, based on the principles set by the competent authority, may issue preferred shares or decide to purchase them, convert ordinary shares into preferred shares, or convert preferred shares into ordinary ones. Preferred shares shall not be given the right to vote in the general assemblies of shareholders, and these shares entitle their owners to obtain on a percentage greater than the owners of ordinary shares of The Company's net profits after setting aside the statutory reserve, it shall not be permissible to issue new shares that have priority over them except with the approval of a special



assembly formed in accordance with Article 89 of the Companies Law - from the owners of preferred shares who speculate from this issuance and with the approval of a constituent general assembly From all classes of shareholders.

Article (12): Neither the shareholder's heirs nor his creditors, for any reason whatsoever, may request that seals be applied on The Company's books, stationary, publications, official papers, or property, nor may they request that it be divided or sold in bulk because of the impossibility of division, nor may they interfere in any way in the management of The Company. Using their statutory rights in accordance with The Company's Articles of Association and the companies' law.

Article (13): Capital Increase:

- A. The Extraordinary General Assembly may decide to increase The Company's capital provided that the capital has been paid in full and 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 shares The period set for converting them into shares has not yet expired.
- B. The Extraordinary General Assembly may in all cases allocate the shares issued upon the capital increase or part of them to the employees of The Company and its subsidiaries or some or any of that. The shareholders may not exercise the right of priority when The Company issues the shares allocated to the employees.



- C. The Extraordinary General Assembly shall have 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.
- D. The shareholder shall have the right to sell or assign the priority right 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.
- E. Subject to the above paragraphs, the new shares shall be distributed to the priority rights holders who requested to subscribe and 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 what they requested of the new shares, and the remainder shall be distributed from the new shares on priority rights holders who have requested more than their share, in proportion to the priority rights they own out of 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 shall be offered to third parties, unless The Extraordinary General Assembly decides or the regulations and laws of the capital market provide otherwise.



Article (14): The General Assembly may decide to increase the capital by issuing new shares in exchange for cash or in-kind shares.

Article (15): The General Assembly may decide to issue new shares in return for The Company's debts with a specific value due to their due date, provided that the issuance is at the value decided by the Extraordinary General Assembly after seeking the opinion of an expert or an approved valuer, and after the Board of Directors and the auditor prepares a statement on the origin and amount of these debts. The members of the Board of Directors and the auditor shall sign this statement and shall be responsible for its correctness.

Article (16): The General Assembly may decide to issue new shares in the amount of the reserve that the Extraordinary General Assembly decides to incorporate into the capital. These shares must be issued in the same form and conditions as the traded shares, and those shares shall be distributed to shareholders free of charge in proportion to the original shares owned by each of them.

Article (17): The General Assembly may decide to issue new shares in exchange for debt instruments or financing instruments

Article (18):

The capital shall be increased in one of the following ways:

- A. Issuing new shares in exchange for cash or in-kind shares,
- B. Issuing new shares in return for The Company's debts of a certain amount in case of performance, provided that the issuance shall be at the value decided by the extraordinary general assembly, after seeking the opinion of an expert or an approved valuer, and after the Board of Directors and the auditor shall



prepare a statement on the origin and amount of these debts, and the members of the Board of Directors and the auditor shall sign Accounts of this statement and shall be responsible for its correctness,

- C. Issuing new shares in the amount of the reserve that the extraordinary general assembly decides to incorporate into the capital. These shares must be issued in the same form and conditions as the traded shares, and those shares shall be distributed to shareholders free of charge in proportion to the original shares owned by each of them, or
- D. Issuing new shares in exchange for debt instruments or Financing instruments in accordance with the applicable regulations in this regard.

The shareholder who holds the share at the time of the issuance of the General Assembly's decision approving the capital increase shall have priority in subscribing to the new shares issued in exchange for cash shares, and these persons shall be informed of their priority, if any, by publishing in a daily newspaper or by informing them through registered mail or any other methods determined by the competent authority about the decision to increase the capital and the conditions, the subscription, its duration, and its start and end date.

Article (19) – Decreasing Capital:

- A. The Company's capital based on a proposal by the Board of Directors and a decision of the extraordinary general assembly to decrease the capital if it exceeds The Company's needs or if The Company incurs losses. In the latter



case alone, the capital may be decreased below the limit stipulated in Article (54) of the Law Companies and the decreasing decision shall be issued only after reading a special report prepared by the auditor on the reasons for the decreasing, the obligations of The Company, and the effect of the decreasing on these obligations.

- B. If the decreasing is the result of an increase in the capital beyond The Company's need and the creditors shall be invited to express their objections to it within sixty days from the date of publishing the decreasing decision in a daily newspaper distributed in the area where The Company's head office is located. If one of them objects and submits documents to The Company on the aforementioned date, The Company must pay him his debt if it is immediate or provide a sufficient guarantee to pay it if it is deferred.

Article (20):

The capital shall be decreased in one of the following ways:

1. Cancellation of a number of shares equal to the amount to be decreased,
2. The Company purchases a number of its shares equal to the amount required to be decreased, and then cancels it,
3. If the capital decreasing is by canceling a number of shares, equality between the shareholders must be observed, and those shareholders must submit to The Company, on the date specified by The Company, the shares decided to be canceled, otherwise they will be considered canceled, or
4. If the capital decreasing is by purchasing a number of The Company's shares in order to cancel it, the shareholders must be invited to offer their shares for



sale. This invitation shall be to inform the shareholders by registered mail or by publishing in a daily newspaper distributed in the area where The Company's head office is located of The Company's desire to buy stock. If the number of shares offered for sale exceeds the number that The Company has decided to purchase, sales orders must be decreased in proportion to this increase. Shares shall be purchased in accordance with the regulations and laws of the capital market.

Article (21): Issuance of Debt Instruments or Financial Deeds:

1. The Company may issue, in accordance with the regulations and laws of the capital market, debt instruments (compliant with Islamic Sharia) or negotiable financing instruments.
2. The Company may issue, in accordance with the regulations and laws of the capital market, debt instruments or financing instruments that are convertible into shares after a decision is issued by The Company's extraordinary general assembly specifying the maximum number of shares that may be issued in exchange for those bonds or deeds, whether those instruments are issued or Deeds at the same time or through a series of issues or through one or more programs to issue debt instruments or financing instruments, and The Company's Board of Directors issues, without the need for a new approval from the assembly, new shares in exchange for those instruments or deeds that their holders request to transfer immediately upon the expiry of the request period. The specific transfer of holders of such instruments or deeds,



and The Company's Board of Directors shall take what is necessary to amend this system with regard to the number of issued shares and the capital.

3. The Company's Board of Directors must announce the completion of the procedures for each capital increase in the manner specified in the commitment to notify the decisions of the extraordinary general assembly, or according to the method specified by the competent authority.} The Company may convert debt instruments or financial instruments into shares in accordance with the regulations and laws of the capital market

Chapter Three – Company's Management

Article (22): Company's Management

1. The Company shall be managed by a Board of Directors consisting of a maximum of 9 (nine) members appointed by the ordinary general assembly.
2. The members of the Board of Directors shall be appointed for a period of three years, and the membership of the Board of Directors ends if the mentioned period expires
3. If the position of one of the members of the Board of Directors becomes vacant, the Board of Directors may temporarily appoint a member in the vacant position according to the order of obtaining votes, provided that he shall be one of those who have experience and competence, and informs the Ministry and the Authority of this within five days from the date of appointment and that the appointment be presented to the Ordinary General Assembly at its first meeting, and the new member completes the term of the previous member



4. The ordinary general assembly elects the members of the Board of Directors for the stipulated period, which is (three years), and the membership of the Board of Directors ends if the mentioned period expires, and the Board of Directors members may be re-elected

Article (23): Candidacy for Board of Directors Membership:

1. Each shareholder shall have the right to nominate himself or one or more other persons for membership in the Board of Directors, within the limits of his ownership percentage in the capital.
2. A member of the Board of Directors must own a number of company shares, the value of which shall not be less than ten thousand Saudi Riyals. These shares shall be deposited within thirty days from the date of the member's appointment in one of the banks appointed by the competent authority for this purpose. These shares shall be allocated to guarantee the liability of the members of the Board of Directors and shall remain unacceptable. to deliberate until the General Assembly decides to absolve the member of his responsibility for managing The Company for the term of his membership or until the expiry of the period specified for hearing the liability case stipulated in Articles (78-79) of the Companies Law or until the aforementioned lawsuit is settled.
3. He shall not be less than 18 years old and shall be of full legal capacity.
4. To be a Saudi of integrity and competence.
5. He must not have been convicted of a crime involving moral turpitude or dishonesty, unless he has been rehabilitated.



6. The candidate should not be a member of more than five joint stock companies, and he should not be a chairman or his deputy of more than two companies, or an executive member of more than one company, and he should not be among the companies.
7. Companies carrying on banking business there.
8. Companies that operate public facilities.
9. Companies for which the state provides a subsidy.
10. The candidate should not own, work or be related to companies competing for The Company's activity.
11. Being independent, complying with high ethical standards, interpersonal communication skills, and commitment to allow them to contribute effectively in matters relating to the Board of Directors and The Company.
12. Demonstrate independence, objectivity and ability to act as a representative of the shareholders.
13. It shall not be permissible for a member of the Board of Directors to have any direct or indirect interest in the business and contracts that are done for the account of The Company except with a prior authorization from the Ordinary General Assembly, to be renewed every year. The member of the Board of Directors must inform the Board of Directors of his direct or indirect interest in the business and contracts to vote on the resolution issued in this regard by the Board of Directors and the shareholders' assemblies, and the Chairman of the Board of Directors informs the General Assembly when it convenes about the business and contracts in which one of the Board of Directors members



has a direct or indirect interest. The notification shall be accompanied by a special report from The Company's external auditor.

Article (24) - Termination of membership in the Board of Directors

If a member of the Board of Directors does not submit the security shares within the specified time, his membership shall be void

- A. The General Assembly may, upon the recommendation of the Board of Directors, terminate the membership of a member who has been absent from three consecutive meetings of the Board of Directors without a legitimate excuse or an acceptable justification.
- B. A member of the Board of Directors may not participate in any business that would compete with The Company or compete with The Company in one of the branches of the activity that he is engaged in, otherwise The Company may claim him before the competent judicial authority for appropriate compensation unless he obtained a previous license from the ordinary general assembly - it shall be renewed every Year and he shall be allowed to do so.
- C. If the chairman and members of the Board of Directors submitted their resignations, or if the general assembly was unable to elect a Board of Directors for The Company, the competent authority (the minister or the Board of Directors of the authority in the capital market) must form a temporary committee of experts and specialists with the number it deems appropriate, and appoint a chairman and one for him from among its members to undertake the supervision The management of The Company and the invitation of the general assembly to meet within a period not exceeding



three months from the date of the formation of the aforementioned committee to elect a new Board of Directors for The Company. The chairman and members of the committee shall be granted bonuses at The Company's expense as decided by the competent authority (the minister or the authority's Board of Directors, as the case may be).

- D. If the necessary conditions for the convening of the Board of Directors are not met due to the lack of the number of its members below the minimum stipulated in the law or The Company law, the rest of the members shall call the ordinary general assembly to convene within sixty days to elect the necessary number of members.
- E. A joint stock company may not extend a loan of any kind to any of its Board of Directors members or shareholders, or guarantee any loan contracted by any of them with others.
- F. The Ordinary General Assembly may at any time dismiss all or some of the members of the Board of Directors without prejudice to the right of the dismissed member towards The Company to claim compensation if the dismissal occurred for an unacceptable reason or at an inappropriate time. In front of The Company for the damages resulting from the retirement.
- G. Members of the Board of Directors shall not be permitted to divulge, in meetings of the General Assembly, what they have learned of The Company's secrets, and they may not use what they know by virtue of their membership to achieve an interest for themselves, one of their relatives or others, otherwise they must be dismissed and demanded for compensation



Article (25)

- A. The Board of Directors appoints from among its members a chairman, his deputy, and a managing member may be appointed. It shall not be permissible to combine the position of the chairman of the Board of Directors with any other executive position in The Company. The Company's law shows the powers of the chairman and the managing member and the special remuneration that each of them receives in addition to the remuneration prescribed for members of the Board of Directors.
- B. The Board of Directors appoints a secretary to be chosen by it from among its members or from others, and determines his powers and remuneration if The Company's law does not include provisions in this regard.
- C. The term of the chairman, his deputy, the managing director, and the secretary who shall be a member of the Board of Directors shall not exceed the term of their membership in the Board of Directors, and they may be re-elected unless The Company's Articles of Association stipulate otherwise. The Board of Directors may at any time dismiss them or any of them without prejudice to the right of those dismissed to compensation if it occurs Dismissal for an unlawful reason or at an inappropriate time.

Article (26) Board of Directors Meetings

- A. The Board of Directors meets at least twice a year at the invitation of its chairman in accordance with the conditions stipulated in the current Articles of Association, and the chairman must call for a meeting whenever two of the members so request.



- B. Board of Directors meetings can be held or called for using modern technologies. The Company's management determines the method of meeting and calling for it in coordination with the members of the Board of Directors, and the meetings shall be documented.
- C. The Board of Directors may issue decisions in urgent matters to be presented to the individual members, unless one of the members requests in writing a meeting of the Board of Directors to deliberate thereon, and the Board of Directors shall be presented at the first following meeting.
- D. The Board of Directors may also convene outside The Company's center provided that all its members are present or there shall be someone to represent them at the meeting and that this meeting is held in the Kingdom of Saudi Arabia.

Article (27) Board of Directors Meeting Quorum:

The meeting of the Board of Directors shall be not valid unless attended by (5) five members at least, provided that the number of attendees is not less than the minimum stipulated in the Companies Law.

Article (28):

- A. A member of the Board of Directors may not delegate someone else to attend the meeting on his behalf, and one of his colleagues in the Board of Directors may deputize for him when necessary, and in this case this member shall have two votes and a member of the Board of Directors may not represent more than one member and may not exceed the votes of Those on whose behalf attendees are represented by one third of the votes of those attendees.



B. A legal person who shall be entitled, according to The Company's Articles of Association, to appoint representatives to the Board of Directors, may not vote on the selection of other members of the Board of Directors.

Article (29): Council decisions shall be issued by a majority of the opinions of the members present or represented in it, and when votes are equal, the side with which the chairman voted shall prevail.

Article (30) - Board of Directors deliberations:

Board of Directors deliberations and decisions shall be recorded in minutes signed by the chairman of the Board of Directors, attending Board of Directors members and the secretary. These records shall be recorded in a special register signed by the Board of Directors chairman and secretary.

Article (31) - Company representation:

The Chairman of the Board of Directors shall represent The Company before the courts, arbitration bodies and others. The Chairman of the Board of Directors may, by a written decision, delegate some of his powers to other members of the Board of Directors or third parties to carry out specific work or works. The Vice Chairman of the Board of Directors shall replace the Chairman of the Board of Directors in his absence.

Article (32):

A. The chairman of the Board of Directors and the delegated members of the Board of Directors have the right to sign on behalf of The Company individually after obtaining a decision from the Board of Directors and within the limits stipulated in The Company's Articles of Association and regulations and every other member



delegated by the Board of Directors for this purpose The Board of Directors shall have the right to appoint several managers or authorized agents, and to also authorize them to sign on behalf of The Company, individually or jointly.

- B. Taking into account the competences prescribed for the general assembly, the Board of Directors shall have the widest powers in managing The Company to achieve its objectives, with the exception of what is excluded by a special provision in the law or The Company's Articles of Association of actions or behaviors that fall within the competence of the general assembly. The Board of Directors may also, within the limits of its competence, delegate one or more of its members or from a third party in carrying out a certain work or business.

Article (33):

- A. The Board of Directors has the broadest authority to manage The Company, except for what is expressly reserved in The Company's Articles of Association to the general assembly and without limiting this authority, and it may undertake all actions.
- B. The Board of Directors may contract loans, regardless of their term, from banks, government loan funds, local and foreign credit agencies in accordance with the terms and regulations of the lending authorities, sell or mortgage The Company's assets, sell or mortgage The Company's commercial premises, or release The Company's debtors from their obligations, provided that the loans in total do not exceed double. paid Capital



Article (34):

The Company shall be committed to all acts and work carried out by the Board of Directors, even if they are outside its competences, unless the stakeholder has bad faith or knows that those actions are outside the Board of Directors competences.

Article (35):

The Deputy of the Chairman of the Board of Directors shall replace the Chairman of the Board of Directors in his absence or upon his authorization.

Article (36):

A. The members of the Board of Directors shall be jointly responsible for compensating The Company, shareholders or others for the damage that arises from their mismanagement of The Company's affairs or their violation of the provisions of the law or The Company's Articles of Association, and every condition stipulating otherwise shall be considered null and void, and the responsibility falls on all members of the Board of Directors if the error arises As for the decisions that are issued by the majority of opinions, the opposing members shall not be responsible for them when they express their objection in the minutes of the meeting, nor after the absence from the meeting at which the decision issued is a reason for exemption from responsibility unless it is proven that the absent member was not aware of the decision or was unable to object to it after knowing it.

B. The General Assembly may, upon the recommendation of the Board of Directors, terminate the membership of a member who has been absent from



three consecutive meetings of the Board of Directors without a legitimate excuse or an acceptable justification.

Article (37):

The approval of the Ordinary General Assembly to discharge and release the members of the Board of Directors from responsibilities shall not mean not to file a liability lawsuit.

Article (38):

The liability lawsuit shall not be heard after the lapse of three years from the date of discovery of the harmful act. With the exception of the cases of fraud and forgery, the liability lawsuit shall not be heard in all cases after the lapse of five years from the date of the end of the financial year in which the harmful act occurred, or three years from the termination of membership. The concerned Board of Directors member, whichever comes later.

Article (39): Remuneration of Board of Directors Members:

Remuneration of Board of Directors Members: The minimum annual remuneration for the Chairman and members of the Board of Directors is two hundred thousand (200,000) Saudi Riyals, while the maximum is five hundred thousand (500,000) Saudi Riyals annually for their membership in the Board of Directors and their participation in its work, including additional remuneration in the event that a member participates in any of the committees emanating from the Board of Directors.

In the event that The Company achieves profits, a percentage equivalent to (10%) of the rest of the net profit may be distributed after deducting the reserves



decided by the general assembly and after distributing a profit to shareholders of not less than (5%) of The Company's paid-up capital, provided that the entitlement to this bonus is Proportional to the number of sessions attended by the member, and any assessment to the contrary shall be null and in all cases, the total rewards and benefits received by a member of the Board of Directors, financial or in kind, shall not exceed the amount of (500,000) five hundred thousand) Saudi Riyals annually.

The maximum limit for attendance at council and committee sessions shall be three thousand (3000) thousand Saudi Riyals for each session, excluding travel and accommodation expenses.

Each member of the Board of Directors, including the Chairman of the Board of Directors; shall be paid the value of the actual expenses they incur in order to attend meetings of the Board of Directors or committees emanating from the Board of Directors, including travel, accommodation and subsistence expenses.

The report of the Board of Directors to the Ordinary General Assembly must include a comprehensive statement of all the bonuses, expense allowances and other benefits received by the Board of Directors members during the financial year. It shall also include a statement of what the Board of Directors members received in their capacity as workers or administrators, or what they received in return for technical or administrative work or consultancy. It shall also include a statement of the number of Board of Directors sessions and the number of sessions attended by each member from the date of the last meeting of the General Assembly.



Chapter Four - Shareholders' Assemblies

Article (40) - General Assembly:

A properly formed general assembly shall represent all shareholders and may not be held in any place other than Riyadh.

Article (41):

- A. Each shareholder shall have the right to attend the general assembly of shareholders, and for this he may delegate another person from among the shareholders on his behalf.
- B. It shall be permissible to hold the meetings of the general assemblies of shareholders and the shareholder's participation in their deliberations and voting on their decisions by means of modern technology according to the controls set by the competent authority.

Voting in general assemblies:

- C. Ordinary voting shall be used on the articles of the assembly, except for voting on the election of the Board of Directors. Cumulative voting is used. The voting right for a share may not be used more than once.
- D. Board of Directors members may not participate in voting on the decisions of the assembly that are related to releasing them from responsibility for managing The Company or related to their direct or indirect interest.

Article (42) - Shareholders' attendance record:

Shareholders who wish to attend the general or special assembly register their names at The Company's head office before the time set for the assembly.



Article (43) - Invitation to General Assemblies:

1. The general or special assemblies of the shareholders shall be convened at the invitation of the Board of Directors in accordance with the conditions stipulated in The Company's Articles of Association. The Board of Directors shall call the ordinary general assembly to convene if requested by the auditor, the audit committee, or a number of shareholders representing (5%) of the capital on the At least, the auditor may invite the assembly to convene if the Board of Directors did not invite the assembly within thirty days from the date of the auditor's request.
2. It shall be permissible, by a decision of the competent authority, to invite the ordinary general assembly to convene in the following cases:
 - a. If the period specified for the meeting stipulated in Article (87) of the law lapses without convening.
 - b. If the number of members of the Board of Directors is less than the minimum necessary for the validity of its convening, taking into account what is stated in Article (69) of the law.
 - c. If it is found that there are violations of the provisions of the law or The Company's Articles of Association, or that there is a defect in The Company's management.
 - d. If the Board of Directors does not invite the general assembly to convene within fifteen days from the date of the request of the auditor, the audit committee, or a number of shareholders representing (5%) of the capital at least.



- e. A number of shareholders representing at least (2%) of the capital may submit a request to the competent authority to invite the ordinary general assembly to convene if any of the cases stipulated in paragraph (2) of this Article are available, and the competent authority shall send an invitation to convene within thirty days From the date of submitting the shareholders' request, provided that the invitation includes a schedule of the assembly's work and the items to be approved by the shareholders

Publication of the invitation to the General Assembly:

3. The invitation to convene the general assembly shall be published in a daily newspaper distributed in the area where The Company's head office is located, at least ten days before the date of the meeting. However, it may be sufficient to send the invitation on the aforementioned date to all shareholders by registered letters, and a copy of the invitation and the agenda shall be sent to the competent authority (Ministry - Capital Market Authority) within the period specified for publication.

Article (44): Chairing the assemblies:

The meetings of the general assemblies of shareholders shall be 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



Article (45) - Convening the Assemblies:

The General Assembly shall be held every year during the six months following the end of The Company's financial year in the place, day and time specified in the announcement of the meeting invitation

Article (46): Shareholder rights in the assembly:

Each shareholder shall have the right to discuss the topics listed on the assembly's agenda and to direct questions about them to the members of the Board of Directors and the auditor. Every text in The Company's Articles of Association depriving the shareholder of this right shall be void. The Board of Directors or the auditor answers the shareholders' questions to the extent that does not jeopardize The Company's interest. The shareholder thought that the answer to his question was not convincing, he appealed to the Assembly, and its decision in this regard was enforceable.

Article (47): 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 one quarter of The Company's capital, unless The Company's Articles of Association stipulate a higher percentage, provided that it does not exceed half.

Article (48):

If the necessary quorum shall not be available to hold the ordinary general assembly meeting in accordance with Article (47) of the current Articles of Association, an invitation is sent to a second meeting to be held within the thirty days following the previous meeting, and this invitation shall be published in the



manner stipulated in Article (91) of the law. However, the meeting may be held the second shall be an hour after the end of the period specified for holding the first meeting, provided that The Company's Articles of Association permits this, and that the invitation to hold the first meeting includes an announcement about the possibility of holding this meeting. In all cases, the second meeting shall be valid regardless of the number of shares represented in it.

Article (49) – Decisions and Minutes of the General Assembly:

The decisions of the assembly shall be issued by an absolute majority of the shares represented in the meeting, and when the votes are equal, the side on which the chairman of the assembly voted shall prevail.

Article (50):

Minutes of the meeting of the assembly shall be drawn up including 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 votes that approved or disagreed with them, and an adequate summary of the discussions that took place at the meeting. The minutes shall be recorded regularly after each meeting in a special register signed by him. The chairman, secretary and collector of votes.

Article (51):

The general assembly may not deliberate on matters other than those mentioned in the agenda indicated in the invitation notice.



Article (52):

Without prejudice to the rights of bona fide third parties, the decisions of the shareholders' assemblies shall be binding on all shareholders, even those who are absent, dissenting in opinion, incompetent and those without capacity.

Article (53): Powers and Authorities of the Extraordinary General Assembly:

With the exception of the matters that are concerned with the extraordinary general assembly, the ordinary general assembly shall be concerned with all matters related to The Company and shall be held 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.

Article (54):

The Extraordinary General Assembly shall be concerned with amending The Company's Articles of Association, except for the following matters:

- A. Depriving the shareholder or modifying any of his basic rights that he derives as a partner, especially the following:
- 1) Obtaining a share of the profits to be distributed, whether the distribution is in cash or through the issuance of free shares for non-workers of The Company and its subsidiary company.
 - 2) Obtaining a share of The Company's assets upon liquidation
 - 3) Attending public or private shareholders' assemblies, participating in their deliberations, and vote on their decisions.
 - 4) Disposing of his shares in accordance with the provisions of the law.



- 5) Requesting access to The Company's books and documents, monitoring the work of the Board of Directors, filing a liability lawsuit against members of the Board of Directors, and appealing the invalidity of the decisions of the general and private shareholders' assemblies.
 - 6) Priority for subscribing to new shares issued in exchange for cash shares, unless The Company's Articles of Association stipulate otherwise.
- B. Amendments that would increase the financial burdens of the shareholders unless all shareholders agree to that.
- C. Moving The Company's head office outside the Kingdom.
- D. Change the nationality of The Company

Article (55):

In addition to the competences assigned to it, it may issue decisions in internal matters originally within the competences of the ordinary general assembly, under the same terms and conditions as decided by the ordinary general assembly.

Article (56) - Quorum in the Extraordinary General Assembly:

The meeting of the Extraordinary General Assembly shall not be valid unless attended by shareholders representing at least half of the capital, unless The Company's Articles of Association stipulate a higher percentage, provided that it does not exceed two thirds.

Article (57):

If the quorum necessary to hold the extraordinary general assembly meeting in accordance with paragraph (1) of this article is not attending, a second meeting



shall be called to be held in the same conditions stipulated in article (91) of the law. The first meeting, provided that the invitation to hold the first meeting includes announcing 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.

Article (58):

1. If the necessary quorum is not present in the second meeting, an invitation shall be sent to a third meeting to be held in the same conditions stipulated in Article (91) of the law, and the third meeting will be valid regardless of the number of shares represented therein, after the approval of the competent authority.
2. The decisions of the Extraordinary General Assembly shall be issued by a two-thirds majority of the shares represented in the meeting, if its decision is related to an increase or decrease in the capital, an extension of The Company's term, or its dissolution before the expiry of the term specified in its Articles of Association, or its merger with another company, then it shall not be valid unless it is issued by a three-quarters majority Shares represented at the meeting.
3. The Board of Directors shall, in accordance with the provisions of the law, publish the decisions of the extraordinary general assembly if they include amending The Company's Articles of Association



Chapter Five - The Auditor

Article (59):

Appointment of an auditor:

- A. The Company must have one or more auditors from among the auditors licensed to work in the Kingdom, to be appointed by the ordinary general assembly and to determine his remuneration and term of work, and it may reappoint him, provided that the total period of his appointment does not exceed five continuous years. Its expiry date and the assembly may also change it at any time without prejudice to its right to compensation if the change occurred at an inappropriate time or for an illegal reason.

Powers of the auditor:

- B. The auditor at any time shall have the right to review The Company's books, records, and other documents. He also shall have the right to request data and clarifications that he deems necessary to obtain in order to verify The Company's assets, obligations and other matters that fall within the scope of his work. The Chairman of the Board of Directors shall enable him to perform his duty and if the auditor encounters Difficulty in this regard shall be proven in a report submitted to the Board of Directors. If the Board of Directors does not facilitate the work of the auditor, he must ask the Board of Directors to invite the ordinary general assembly to look into the matter.

Auditor's report:

- C. The auditor shall submit to the annual ordinary general assembly a report prepared in accordance with the generally accepted auditing standards, in



which he states the position of The Company's management in enabling him to obtain the data and clarifications he requested and any violations of the provisions of the law or the provisions of The Company's Articles of Association and his opinion on the validity of The Company's Articles of Association. The Company's financial statements, and the auditor reads his report in the general assembly. If the assembly decides to ratify the report of the Board of Directors and the financial statements without listening to the auditor's report, its decision shall be void.

Confidentiality of information with the auditor

- D. The auditor shall not be permitted to disclose to shareholders other than the general assembly or to third parties The Company's secrets that have come upon him due to the performance of his work, otherwise he must be dismissed in addition to his claim for compensation.
- E. The auditor shall be responsible for compensating the damage that befalls The Company, the shareholders or others due to the mistakes that occur from him in the performance of his work. If there are multiple auditors and they participate in the error, they shall be jointly liable.

Chapter Six: Company Accounts and Profit Distribution

Article (60) - the Financial Year:

The financial year of The Company shall be twelve months as specified in its Articles of Association, and as an exception to that, the first financial year can



be set at no less than six months and not more than eighteen months, starting from the date of its registration in the commercial registry.

Article (61):

Financial Documents:

- A. 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 guarantees the proposed method for distributing profits. The Board of Directors puts these documents at the auditor's disposal at least forty-five days before the date set for the general assembly.
- B. The Company's Board of Directors, chief executive officer and financial manager must sign the documents referred to in paragraph (a) of this article, and copies of them shall be deposited at The Company's head office at the shareholders' disposal at least ten days prior to the date set for holding the assembly.
- C. 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 in The Company's head office. He shall also send a copy of these documents to the ministry and also send a copy to the authority if The Company is listed in the capital market. At least fifteen days before the date of the general assembly.



- D. The classification of the financial statements for each financial year shall take into account the classification used in previous years, and the basis for evaluating assets and liabilities shall remain fixed, without prejudice to the generally accepted accounting standards.
- E. The Board of Directors, within thirty days from the date of the approval of the General Assembly on the financial statements, the Board of Directors' report, the auditor's report, and the Audit Committee's report, shall deposit copies of the mentioned documents with the Ministry and the Market Authority.

Article (62) - Dividend distribution:

The annual dividend shall be distributed to shareholders after deducting depreciation and all other expenses and costs and zakat as follows:

1. Subject to the provisions of other relevant regulations, ten percent (10%) of the net profits shall be set aside for the statutory reserve formation of The Company. The Ordinary General Assembly may decide to stop this set-up when the said reserve reaches (30%) of the paid-up capital. The stipulation in The Company's Articles of Association that a certain percentage of the net profits be set aside for the formation of a consensual reserve to be allocated for the purposes specified in the said Articles of Association.
2. The statutory reserve shall be used to cover The Company's losses or increase the capital. If this reserve exceeds (30%) of the paid-up capital, the General Assembly may decide to distribute the increase to shareholders in



the years in which The Company does not achieve net profits sufficient to distribute the share determined for them in Articles of Association of the Company.

3. After that, a share of no less than half percent (0.50%) of the paid-up capital shall be distributed to the shareholders. If the profits of one year do not allow the distribution of this share, it may not be claimed from the profits of the following years.
4. Ten percent (10%) of the remainder shall be allocated to remunerate the members of the Board of Directors, not exceeding five hundred thousand (500,000) Saudi Riyals for each member, and it shall be permissible to recommend to the Ordinary General Assembly the disbursement of a certain amount based on Article (39) of the current Articles of Association.
5. If the reward is a certain percentage of The Company's profits, this percentage may not exceed ten percent (10%) of the net profits, after deducting the reserves decided by the general assembly in application of the provisions of the law and The Company's Articles of Association and after distributing a profit to shareholders of no less than five percent (5%) of The Company's paid-up capital, provided that the entitlement to this bonus shall be in accordance with the regulations set by the competent authority.
6. After that, the remaining amount shall be used in distributing dividends to the shareholders.



7. Based on the recommendation of the Board of Directors, the Ordinary General Assembly may decide how to dispose of the remaining profits thereafter in the interest of The Company.
8. The report of the Board of Directors to the Ordinary General Assembly must include a comprehensive statement of all that the members of the Board of Directors received during the financial year in terms of remuneration, expense allowance and other benefits, and also include a statement of what the members of the Board of Directors received in their capacity as workers or administrators, or what they received in return Technical or administrative work or consultations, and it shall also include a statement of the number of council sessions and the number of sessions attended by each member from the date of the last meeting of the general assembly.
9. The Ordinary General Assembly, when determining the share of shares in the net profits, may decide that other reserves should be made to the extent that achieves the interest of The Company or ensures the distribution of second profits to the extent of safety to the shareholders. The said assembly may also deduct sums from the net profits to establish social institutions for The Company's employees or to assist whatever may be existing of these institutions.
10. The consensual reserve may not be used except by a decision of the extraordinary general assembly. If this reserve is not earmarked for a specific purpose, the ordinary general assembly may - based on the



proposal of the Board of Directors - decide to spend it for the benefit of The Company or the shareholders.

11.The Company may distribute interim dividends to its shareholders on an annual, semi-annual or quarterly basis in accordance with the regulations issued by the Capital Market Authority, based on an authorization issued by the Ordinary General Assembly of the Board of Directors to distribute interim dividends.

Article (63) - Entitlement to profits:

A shareholder shall be entitled to his share of the profits in accordance with the decision of the General Assembly issued in this regard. The decision indicates the date of maturity and the date of distribution. Owners of the shares registered in the shareholders' records shall be entitled to profits at the end of the day specified for entitlement. The competent authority determines the maximum period for which the Board of Directors must implement the decision of the General Assembly in Concerning the distribution of profits to shareholders.

Article (64):

The ordinary general assembly may use the retained profits and the agreed distributable reserves to pay the remaining amount of the value of the share or part of it, provided that this does not prejudice the equality of the shareholders.



Chapter Seven - Committees

Article (65):

A) Audit Committee

First: Formation of the Audit Committee:

- 1) The Audit Committee shall be formed by a decision of the ordinary general assembly, provided that the number of its members shall be not less than three and not more than five, who are not members of the executive Board of Directors, whether from shareholders or others. The decision determines the tasks of the committee, the rules of its work, its duration and the remuneration of its members.

Quorum of the Audit Committee Meeting:

- 2) The meeting shall not be valid unless the majority of its members is present, and its decisions shall be issued by the majority of the votes of those present, and when the votes are equal, the side with which the head of the committee voted shall prevail.

Powers of the Audit Committee:

- 3) The Audit Committee shall be responsible for monitoring The Company's business and for this purpose it shall have 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, and 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



Reports of the Audit Committee:

4) The Audit Committee shall consider The Company's financial statements, reports and notes provided by the auditor and express its opinions about 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 undertaken that fall within the scope of its competence. The Board of Directors must: Sufficient copies of this report shall be deposited at The Company's head office at least ten days before the date of the general assembly to provide all those who wish to share a copy of it, and the report shall be read during the assembly.

B) Nomination and Remuneration Committee

Duties and formation of the Nomination and Remuneration Committee

1) Formation of the Nomination Committee:

The Board of Directors shall form a committee called (the Nominations and Remunerations Committee) consisting of three members

1) Duties of the Nomination Committee:

To recommend favor the Board of Directors nominations for membership of the Board of Directors in accordance with the approved policies and standards, taking into account not to nominate any person previously convicted of a crime involving moral turpitude and honesty.

To conduct an annual review of the required needs of the appropriate skills for membership of the Board of Directors and preparing a description of



the capabilities and qualifications required, including determining the time that a member must allocate for the work of the Board of Directors.

To review and raise Recommendations for the structure of the Board of Directors with the changes that can be made with the identification of weaknesses and strengths in the Board of Directors and the proposal to address them in line with the interest of The Company.

To ensure on an annual basis the independence of independent members and the absence of any conflict of interest if the member is a member of the Board of Directors of another company.

To Develop clear policies for compensation and rewards for members The Board of Directors and senior executives, taking into account the use of standards related to performance and not inconsistent with the law.

Chapter Eight - Disputes

Article (66):

Liability Lawsuit

A. The Company may file a liability lawsuit against the members of the Board of Directors due to mistakes that result in damages to all shareholders. The ordinary general assembly decides to file this lawsuit and appoint someone to represent The Company in conducting it. If a judgment is pronounced declaring The Company's bankruptcy, filing the said lawsuit is within the jurisdiction of the bankruptcy representative. The case after obtaining the approval of the ordinary general assembly.



B. Every shareholder shall have 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 damage. The shareholder may not file the aforementioned lawsuit if The Company's right to file it still exists. The shareholder must inform The Company of his intention to file The lawsuit with limiting his right to a claim for compensation for the special damage he sustained.

Chapter Nine - Dissolution and liquidation of The Company

Article (67):

- A. In the event of a loss of half the capital - God forbid - The Company shall be dissolved before the expiry of its term, unless the extraordinary general assembly decides otherwise.
- B. The decision, in all cases, shall be published through the official methods and in accordance with the regulations regulated by the competent authority.

Article (68):

Upon the expiration of the term of The Company or in the event of its dissolution before the specified period, the general assembly shall, upon the request of the Board of Directors, specify the method of liquidation and appoint a liquidator or a group of liquidators and determine their authority. The agency of the Board of Directors ends with the appointment of the liquidators,





As for the authority of the general assembly, it remains in place throughout the liquidation period until the liquidators' custody is vacated.

Final Provisions

Article (69): Everything that is not provided for in the current Articles of Association shall be subject to the Companies Law and its regulations.

Article (70): These Articles of Association shall be deposited and published in accordance with the laws

- Official seal of the General Administration of Companies - Corporate Governance Department - Ministry of Commerce and Investment.

