

Khaled Fahad Al-Salim Certified Translation
C.R. 1010437977
Membership No. 25493



خالد فهد السالم للترجمة المعتمدة
سجل تجاري : ١٠١٠٤٣٧٩٧٧
رقم العضوية : ٢٥٤٩٣

SAUDI ADVANCED INDUSTRIES COMPANY

Articles of Association of



ص.ب ٤٢٧٩ - الرياض ١١٤٩١ - شارع التخصصي - تقاطع شارع الامير سلطان - تلفون: ٢١٩٨ ٤٨٨ ٠١١
P.O. Box 4279 Riyadh 11491 - Takhassusi Street - Cross Prince Sultan Road - Tel: 011 488 2198
E-mail : translationsalim@gmail.com



Chapter No (1): Company Incorporation

Article No (1): Incorporation

The company is incorporated pursuant to provisions & regulations of Companies Law as an enlisted Saudi joint stock according to the following:

Article No (2): The Company Name:

Saudi Advanced Industries Company (enlisted Saudi joint stock company)

Article No (3): Purposes of the Company:

The company practices and implements the following purposes:

1. Managing the companies affiliated with it, or participating in the management of other companies in which it contributes and providing the necessary support to them.
2. Investment in the petrochemical industry sector, the glass industry sector, the industrial services sector, the financial services and investment sector, the investment in the education sector, health, the food industry, telecommunications, information technology, applications for tablets, smart phones, artificial intelligence technologies, clean energy and related industries, and investment in patents and military and civil rights, Invest in hedge funds, invest in energy and fuel services, invest in transportation and logistics, invest in tourism and culture, invest in the media and entertainment sector, invest in the sports sector, invest in public utilities, and invest in basic materials. , and investment in the capital goods sector, and investment in commercial and professional services, and investment in the consumer services sector.

3. Investing its funds in stocks and other securities.

4. Own real estate and construct buildings and warehouses necessary to preserve the products of industrial projects and store them and exhibits



necessary to display them and other aspects that you need to use in the pursuit of your goals.

5. Establish advanced industries in the fields of electronic industries, engineering and mechanical industries, and complementary industries and provide support and technical and consulting services to these industries to ensure their success and ensure the continuation of their technological development.
6. Establishment of companies in different forms to implement industrial or service projects and assist in implementation or administration.
7. Factories management and self-development of industrial management to serve the national industrial sector in general.
8. Acquiring industrial technology training on the basis of purchasing and on the basis of cooperation with owners or developers of these technologies.
- 9- Any other lawful purpose which is consistent with the nature of this company.

And the company practices its activities according to applicable laws, and after obtaining the necessary licenses from the competent authorities.

Article No (4): Participation and Owning in Companies

The company may establish alone limited liability companies or closed joint stock companies provided that their capital is not less than five million Saudi Riyals (SR 5,000,000), and it may also own shares and stocks at other existing companies or merge with them. It has the right to join with others in incorporating companies after fulfilling whatever is required by laws and regulations applicable in this regard, and the company may dispose of these shares or stocks.



Article No (5): Head Office of the Company

Head Office of the company will be in Riyadh city. The company also has the right to establish branches, offices or agencies inside and outside the kingdom subject to a decision by the board of directors.

Article No (6): Term of the Company:

The company term is (99) years starting from date of its entry in the commercial register, and this term always may be prolonged through a decision issued by the extraordinary assembly one year at least before end of its term.



Chapter No (2): Capital and Shares

Article No (7): Capital

Capital of the company is determined to be (600,000,000) Saudi Riyals (six hundred million Saudi Riyals) divided into sixty million Saudi Riyals (60,000,000) of equal value of (10) Saudi Riyal each, and all of them are ordinary cash shares.

Article No (8): Subscription to the Shares or Owning Them

Subscribing to shares or owning them indicates shareholder's acceptance of the company's articles of association, and commitment to the decisions issued by the general assembly according to provisions of the Companies Law, and the companies' articles of association, whether he is present or absent, and whether he is present or absent, and whether he agrees or disagrees to the decisions. Shareholders have subscribed to all shares of the capital of the company which amount to (60,000,000) shares paid in full.

Article No (9): Types of Shares

The company may issue different classes of stock and convert them or buy them according to the relevant regulations, and grant and revoke certain rights or privileges or impose restrictions on certain categories according to the relevant regulations.

Article No (10): Bonds or Stocks

It is permissible for the company to issue any type of negotiable debt instruments such as bonds or financing instruments either in part or several parts or through a series of issues or under a program or more established by the company from time to time whether for Initial Public Offer or others inside or outside Kingdom of Saudi Arabia in accordance with the regulations laid down by the competent authorities, and the issuance of debt instruments or financial instruments convertible into shares is subject to the issuance of a resolution from the extraordinary general assembly specifying the maximum number of shares that may be issued against those instruments or stocks.



And all that is in the times, amounts and conditions set by the company's board of directors, and it has the right to take all procedures required for issuing them, in accordance to Islamic sharia controls.

Article No (11): Sale of Shares with Unfulfilled Value

Shareholder commits to pay value of the share in the times appointed for that, and if it fails to fulfill in the due time, board of directors may, after being informed through a registered letter to its address as stated in the shareholders register or any of the modern means of technology, sell the share in the public auction or the stock market as per the situation , and according to the controls determined by the competent entity.

The company will take from the sale proceeds the amounts due to it, and return the balance to the shareholder, and if proceeds of sale do not cover these amounts, the company may return the balance from all amounts of the shareholder.

The enforcement of the rights related to the shares in default of payment is suspended until the sale or payment of the due amount, and the board of directors has to sell the share to the shareholder who defaults in the specified period according to what is said in the relevant regulations. However, it is permissible for the shareholder who defaulted on the payment until the day of the sale to pay the amount due to him in addition to the expenses that the company spent on this matter, and in this case the shareholder has the right to request to obtain the profits that are to be distributed.

The company cancels the sold share according to provisions of this article and it gives the purchaser a new certificate of the share with the number of the cancelled one, and it marks occurrence of the sale in the shares record, and writes name of the new owner.



Article No (12): Issue of the Shares:

The shares of the company shall be nominal and not divisible towards the company, and if it is owned by several persons, they must choose one of them to be responsible for the use of the rights reserved for the shares, and these persons shall be jointly and severally responsible for the obligations arising from the ownership of the shares. For the company to change the nominal value of the share to be lower or higher, according to the rules set by the competent authority.

Article No (13): Company Purchasing of its Shares and Selling & Mortgaging Them

1. The company may buy, sell or mortgage its shares for any of the purposes approved by the relevant laws and regulations, in accordance with the regulations laid down by the competent authority, according to a resolution issued by the Extraordinary General Assembly by approving the purchase with an upper limit on the number of shares at the place of purchase and purposes, and according to provisions of the relevant laws and such shares shall not have voting rights in the shareholders general assemblies.

2. It is possible for the mortgagee to collect the profits and use the rights related to the shares, unless they agree on the mortgage agreement otherwise, and it is not permissible for the mortgagee to attend public meetings of the shareholders or vote in them.

Article No (14): Share Certificates:

The company shares will be circulated according to provisions of the Capital Market Law.

Article No (15): Capital Increase

- 1- The extraordinary general assembly may decide increase of the issued or authorized company capital provided that the issued capital has been fully paid, and it is not required for capital to be fully paid if the unpaid part of the capital is attributed to shares issued against transfer of debit tools or finance deeds to shares, and the term for transferring them into shares has not finished yet.



- 2- The extraordinary general assembly may in all cases allot the shares issued upon increase of the capital or a part thereof to the workers of the company or its affiliates or some of them or any of that, and shareholders may not practice the right of priority upon issue by the company of the shares assigned for workers.
- 3- Shareholder who owns the share at time of issue of the resolution of the extraordinary general assembly may agree upon increase of the capital of priority in subscription with the new shares which are issued against cash stocks according to relevant regulations, and those will be informed of their priority according to the controls and procedures determined by regulating authorities through registered mail to his address mentioned in the shareholders register, or through modern means of technology of the decision of the capital increase, conditions of subscription and its way, term and its start and end date taking into account the type and category of the share he owns.
- 4- The extraordinary general assembly may stop work with priority right for shareholders in subscription with increase of capital against cash stocks or giving priority to non-shareholders in cases whereas it deems this as proper for interest of the company.
- 5- A shareholder may sell or assign the right of priority during the period from time of issue of decision of the general assembly of consent upon capital increase to the last day of subscription in the new shares associated with these rights according to the controls set up by the concerned entity.

Without prejudice of the provisions of Article No (4) hereinabove, the new shares will be distributed among holders of priority rights who claimed subscription proportionally to priority rights they own from total priority rights caused by increase of capital, provided that this does not exceed what they claimed from the new shares. The remaining from the new shares will be divided among holders of priority rights who claimed for more than their



share proportionally to priority rights they own from total priority rights arising out of increase of the capital, provided that what they obtain does not exceed what they claimed from the new shares, and the remaining shares will be offered to third parties unless otherwise is determined by the extraordinary general assembly or provision of the capital market law.

Article No (16): Capital Decrease:

Extraordinary General Assembly may decide reduction of capital if it is more than the company requirements, or if it incurred losses, and only in the later case may the capital be decreased to below the limit stated in Article No (59) of Companies Law, and the decrease decision may only be issued after reciting a special report prepared by the auditor about reasons leading to it, and the liabilities on part of the company and effect of decrease on these liabilities. This statement will be accompanied by a report from the company's auditor, and the said statement may be presented alone to the shareholders in cases where the general assembly decision is issued by passing.

In the event the reduction of capital is resulted from being more than the company requirement, the creditors may be called to object thereon within at least (45) forty five days from the date specified for holding the extraordinary general meeting to take the reduction decision, and if any creditor objects upon that and presents to the company its documents in the said time, the company shall pay him his debt if it is due, or it may present thereto a sufficient guarantee to fulfill it if it has to be paid later.

Chapter No (3): The Board of Directors



Article No (17): Management of the Company:

- 1- The company management is undertaken by a board of directors composing of (7) seven members elected by the ordinary general assembly of shareholders according to accumulated voting method for no more than four years.



Article No (18): Expiry of the Board Membership:

The membership of the Council expires at the end of its term or upon the expiration of its term of office, death or removal by the General Assembly or its termination by the recommendation of the Council to the General Assembly, or if he is convicted of a crime of breach of honor and trust, or if he is judged bankrupt, or becomes ineligible for membership of the Council in accordance with the terms of membership of the Board of Directors, or for any law or instructions in force in the Kingdom, and in the event that a shareholder or more have the right to request the removal of members of the board of directors, the board must ensure in the invitation to the general meeting the necessary data according to what is stated in the relevant regulations, and in the event that the member of the board of directors resigns and has comments on performance of the company, he has to present a written statement to the board of directors, and it will be presented to the board members.

And if the term of the board of directors ends, its members will continue to perform their duties until the election of the board of directors for a new term provided that continuation of their term shall not exceed the term determined in the relevant laws and regulations, and the board of directors shall take necessary actions towards that before end of the continuation period.

And in the case of resignation of the president and members of the board of directors, they must call the General Assembly to convene for the election of a new board of directors during the period specified by the law for the retirement of the board, and it is not necessary to retire until the election of the new board.



Article No (19): Vacancy in the Board:

If a position is vacant in the board of directors, the board may appoint a member temporarily in the vacant position according to recommendation of the nominations committee provided that the elected member fulfills conditions of experience and competence and ministry and authority shall be informed of that within the legal term from date of appointment, and appointment shall be proposed to the ordinary general assembly in its first meeting, and the new



member will complete the period of his predecessor, or the vacancy remains without filling till end of the session of the board of directors, as deemed relevant by the board. However, if conditions required for holding the meeting of the board of directors are not fulfilled because the number of its members is less than the minimum limit, other members shall invite the ordinary general assembly to be convened within the period specified under the relevant laws to elect the required number of members.

Article No (20): Authorities of the Board

Taking into account the terms of reference of the General Assembly, the Board of Directors shall have the widest powers in managing the company, including: Representing the company inside and outside the Kingdom of Saudi Arabia in its relations with third parties, government and private agencies, passports, municipalities, chambers of commerce and industry, institutions and companies of all kinds, other government agencies, bodies, private agencies, private companies and institutions Banks, commercial banks, development funds, money houses, all government funding funds and institutions of various names and specializations, financial institutions of all kinds and other lenders, appointing lawyers, consultants and agents, dismissing them, determining their fees and the scope of their assignment. Conclusion of contracts and agreements, including but not limited to purchase, sale, lease, rental contracts, agencies, concessions, financial hedging contracts and other documents, transactions and deals on behalf of the company and entering into tenders on its behalf. Opening, managing, operating and closing bank accounts, obtaining loans and other credit facilities for any period, including loans that exceed a period of three years, from government finance funds and institutions, commercial banks, financial houses, credit companies and any other party, and issuing bank guarantees and guarantees, opening bank credits and withdrawing Depositing and issuing promissory notes, promissory notes, checks and other commercial papers, carrying out all transactions and concluding all banking agreements and transactions. The Board shall observe the following conditions for contracting loans whose terms exceed three years:

1. The value of loans that the Board may conclude during the company's fiscal year should not exceed 100% of the company's paid-up capital.



2. That the Board of Directors determine in its decision the aspects of using the loans and the method of their repayment.

3. To take into account the conditions of loans and guarantees provided to him not to harm the company and its shareholders, and the general guarantees of creditors.

4. Selling or mortgaging the company's real estate and assets, including the company's headquarters, subject to the following conditions:

a- The Board of Directors shall determine the reasons and justifications for the sale decision.

b- The sale should be close to the similar item price.

c - That the sale be present except in cases of necessity and with sufficient guarantees.

d- That this behavior does not result in the cessation of some of the company's activities or making it bear other obligations.

The Board shall obtain the necessary regulatory approvals in connection with the sale of assets whose value exceeds (50%) fifty percent of its total assets, whether the sale takes place through a single transaction or several transactions and in accordance with the relevant laws and regulations.

5. Absolving the debtors of the company of their obligations, provided that the minutes of the Board of Directors include the reasons for its decision and take into account the following conditions:

a - That the discharge be after the lapse of a full year from the date of arising of the debt, as a minimum.

b- That the release be for a specified amount as a maximum for each year of the debtor.

c - Discharge is a right of the Board of Directors that may not be delegated.



Appointing and dismissing managers, employees and workers, requesting visas, recruiting manpower and contracting with them, determining the powers of any of them, the duration of his appointment, his salary and allowances, issuing residencies, transferring and waiving guarantees. Approving the company's internal, financial, administrative and technical regulations, as well as the policies and regulations of its employees. Delegate to those responsible for managing the company the authority to sign on behalf of the company within the limits of the rules set by the Board of Directors. Establishing companies, branches, offices and agencies for the company, participating in existing and new companies of all kinds, signing their founding contracts, amendments and appendices, including decisions to increase or decrease capital, exit and entry of one or more partners, change the legal entity and any other amendments, amend, delete and extract commercial records and obtain the necessary licenses. Approving the company's business plan and approving its operational plans and annual capital budget. The Board of Directors has the right to authorize one or more of its members or third parties to undertake a specific work or actions, by virtue of a written authorization or legal agency.

Article No (21): Remuneration of the Board Members:

Remuneration of the board of directors is composed of a specific amount, sessions attendance allowance, expenses allowances, in-kind benefits or others as conforming to the relevant laws and in accordance with the policy of remunerations adopted by the company's general assembly, and it is allowed to follow two or more of these benefits jointly, and details of the policy related to remunerations may be disclosed according to the relevant laws.



Article No (22): Authorities of the Chairman, Deputy Chairman, Managing Director and Secretary:

The chairman of the board is responsible for representing the company in its relations with third parties, as well as in front of the judiciary, government authorities, notaries, courts, dispute resolution committees of various types, arbitration bodies, chambers of commerce and industry, special entities, companies, and institutions of various types. The chairman also signs all types of contracts, documents, and records, including, but not limited to, company



articles of association and their amendments and attachments. Additionally, the chairman signs agreements, deeds, and releases in the presence of notaries and official authorities, loan agreements, guarantees, collateral, their release, and issues legal POAs on behalf of the company. The chairman represents the company in litigation, defense, reconciliation, acknowledgment, and arbitration. The chairman is authorized to delegate one or more of the board members or others to perform specific tasks and grant them the power to delegate to others.

The managing director enjoys the powers specified by the board of directors from time to time.

The board of directors determines the remuneration received by each of them, in addition to the remuneration set for the board members.

The board of directors appoints a secretary, chosen from among its members or others, who is responsible for recording the minutes of the board meetings and documenting the resolutions issued in these meetings, as well as preserving them, in addition to exercising other duties assigned to them by the board of directors. The board determines their remuneration. The term of the chairman, vice chairman, managing director, and secretary of the board of directors does not exceed their membership term in the board. They may be re-elected, and the board has the right to dismiss them or any of them at any time without violating the right of dismissal compensation if the dismissal occurs for an unjustifiable reason or at an inappropriate time.



Article No (23): The Board Meetings:

The board of directors meet four times per year at least according to invitation from its chairman, and invitation will be through any of the suitable ways of notification, and Chairman of the board shall invite the board to meet whenever so is required in writing by any of the members of the board to discuss one issue or more, or when there are conditions that requires holding of an emergency meeting, and meetings of the board may be held through modern means of technology.

Article No (24): Quorum of the Board Meetings:

Meeting of the board will only be valid if it is attended by half of the members (present personally or by proxy) and the member of the board may delegate another member to attend the board meetings according to the following controls:

- 1- A member of the board may not appoint more than one member to represent him in attending the same meeting.
- 2- Deputation shall be confirmed in writing or by any of the means of technology, and for one specific meeting.
- 3- The deputy may not vote on the decisions which the law does not allow the member appointing him to vote on.

Decisions of the board are issued with absolute majority and upon equality of the votes, the party of the meeting chairman will have the casting vote.

Article No (25): Board Deliberations

Deliberations and decisions of the board are registered in minutes signed by the chairman of the board, attending members of board of directors and the secretary, and these minutes are noted down in a register signed by Chairman of the board of directors and the secretary.

The board of directors may issue decisions on urgent matters by proposing them to the members severally (by passing) unless one of the members requires in writing that the board holds a meeting to discuss them. Decisions of the board take effect from date of issuing them unless they state that their effectiveness will be at another time or upon fulfilling specific conditions, and these decisions are proposed to the board at its first next meeting to be stated within the minute of that meeting.



Modern means of technology may be used for signing, and for stating the deliberations and resolutions, and noting down the minutes.

Chapter No (4): Shareholder Assemblies

Article No (26): Attending the Assemblies

Each shareholder will have the right to attend the general assemblies of shareholders, and for this purpose, he may authorize another person who is not a member of the board to attend the general assembly.

And the meetings of the general assembly may be held through modern means of technology and shareholders may participate in deliberations and voting on the decisions using the same means of technology, and according to the controls updated by the concerned authorities.

Article No (27): Authorities of the Ordinary General Assembly:

Except for matters governed by the extraordinary general assembly, the ordinary general assembly is concerned with all matters related to the company, and it is held once at least in the year during the six months next to end of the company fiscal year, and another ordinary general assembly may be invited as needed. The agenda of the assembly in its annual meeting shall include the terms acknowledged by the relevant laws, and the requirement of holding the ordinary annual general assembly by holding an extra ordinary general assembly during the six months next to end of the fiscal year of the company with agenda of the meeting involving the items to be proposed to the meeting of the annual ordinary general assembly and as per provisions of the relevant laws.

Article No (28): Authorities of the Extraordinary General Assembly:

The extraordinary general assembly is concerned with the amendment of the Articles of Association of the company except for the matters that are not allowed to be amended according to the law, determination of continuation or dissolution of the company and consent upon company purchasing its shares, and it may issue decisions in the matters which are originally included within the authorities of the ordinary general authority according to the same conditions and situations determined for the ordinary general assembly.



Article No (29): Inviting the Assemblies

The general assemblies of the shareholders are convened according to an invitation by the board of directors, and the board of directors shall invite the general assembly to meet if so is requested by the auditor, the auditing committee or one shareholder or more representing (10%) of the company voting shares at least. The auditor may invite the assembly to convene, if the board does not invite the assembly during the fixed period from date of the request of the auditor.

The invitation to convene the General Assembly and the agenda shall be published through any of the modern means of technology or as determined by the relevant laws and regulations issued by the competent authorities before the date set for the meeting of the Assembly in accordance with what is stated in the relevant laws and regulations issued by the competent authorities, and the invitation to the meeting of the Assembly General 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 No (30): Quorum of the Meeting of the Ordinary General Assembly

The meeting of the ordinary general assembly may not be valid unless it is attended by shareholders constituting at least quarter of the voting shareholders of the company. If the quorum required for holding meeting of the ordinary general assembly is not attained the second meeting will be held one hour after expiry of the period determined for holding the first meeting provided that the invitation for the first meeting states possibility of holding this meeting.

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

Article No (31) Quorum of the Extraordinary General Assembly:

The meeting of the extraordinary general assembly is required to be attended by a number of shareholders constituting at least half of the voting shares of the company. If such quorum is not available in the first meeting the second

meeting shall be held one hour after expiry of the period determined for holding the first meeting provided that the invitation for the first meeting states possibility of holding this meeting.

In all cases, the second meeting will be valid if it is attended by a number of shareholders representing at least quarter of the voting shares of the company.

If the required quorum is not fulfilled in the second meeting, an invitation will be directed to a third meeting which will be held according to the same conditions stipulated by Article No (ninety one) of Companies Law, and the third meeting will be valid regardless of the number of shares represented in it.

Article No (32): Voting in the Assemblies

Votes at the ordinary general assembly and the extraordinary general assembly are calculated on basis of one vote for each share, and the accumulated voting shall be used in electing members of the board of directors, and members of the board of directors may not participate in voting on the assembly decisions for which they are disallowed to vote according to law.

Article No (33): Decisions of the Assemblies:

Decisions in the ordinary general assembly are issued according to majority of the voting rights represented in the meeting, and the decisions of the extraordinary general assembly are issued by agreement of two thirds of the voting rights represented in the meeting except for decisions related to increase or decrease of the capital or merging with other company as in these cases, decision will not be valid unless it is issued according to a majority constituting three quarters of the voting rights represented in the meeting.

Article No (34): Discussion in the Assemblies:

Every shareholder has the right to discuss the subjects enlisted in the assembly agenda, and to ask questions in this regard to members of the board of directors and the auditor. The board of directors or the auditor answer questions of the shareholders to the extent that do not expose company interest to damage, and



if shareholder believes that reply to his question is not satisfactory, he will resort to the assembly, and its decision in this regard will be effective.

Article No (35): Assembly Chairmanship & Minutes Preparation:

The general assembly meetings of shareholders will be chaired by the chairman or his deputy in case of his absence or by the board representative among the board number in the event of the chairman and deputy chairman absence. If this is not attainable, the general assembly will be chaired by a person deputed by the shareholders by way of voting whether he is a board member or not. The assembly appoints a secretary and votes collector. Minutes should be written for the general assembly meeting including the number of shareholders, number of shares in their possession whether for themselves or in the capacity of attorneys-in-fact, number of relevant votes, the decisions taken, number of approving or disapproving votes and a sufficient summary of the meeting's discussions. The minutes should be recorded on a regular basis following each meeting in a separate register signed by the general assembly's chairman, secretary and vote collector.

Chapter No (5): The Auditing Committee



Article No (36): Formation of the Auditing Committee:

By a decision of the Board of Directors of the company, 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 with one of them being an independent member in accordance with the regulations issued by the competent authorities, and one of them being a member specialized in financial and accounting affairs, and that the issuance of The General Assembly, based on the proposal of the Board of Directors, the work regulations of the committee, and that it includes the controls and procedures of its work, its tasks, the rules for selecting its members, how to nominate them, the duration of their membership, their rewards, and the mechanism for appointing its members in the event of a vacancy in one of the committee members' seats.



The committee shall prepare a report detailing its performance of its competencies and tasks and 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.

Article No (37): Formation of the Nominations and Remuneration Committee:

The formation of the Nominations and Remunerations Committee is determined by a decision made by the Board of Directors, specifically selecting non-executive members from within the Board. The committee must consist of at least three members, with one of them being an independent member as required by relevant regulations set by the appropriate authorities. The committee's responsibilities encompass establishing guidelines and procedures for its functioning, defining its tasks and responsibilities, outlining the criteria for selecting its members, specifying the nomination process, determining the duration of their membership, establishing their remuneration, and establishing the procedure for appointing new members in case of a vacancy within the committee.

Chapter No (6): The Auditor



Article No (38): Auditor Appointment:

The company shall have one or more of the auditors licensed to work in the kingdom, appointed by the ordinary general assembly annually and its remuneration and period of work will be determined by the assembly. The assembly may also at every time change it without violating its right in compensation for damage occurring to it if so is required. The Board of Directors may, in urgent circumstances, dismiss the auditor and appoint another auditor. The dismissal and appointment shall be presented at the nearest general assembly, and the Chairman of the Board of Directors shall notify the competent authorities of the dismissal decision and its reasons during the period specified in the relevant regulations, and in the event of the retirement of an auditor 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.

Article No (44): Authorities of the Auditor

The accounts auditor shall have the right at any time to review the company's books, records and all other documents. Also, he shall have the right for this purpose to request the data and clarification that he may deem appropriate, to verify the company's assets and liabilities and all other matters falling within the scope of his work. The chairman should facilitate duties of the accounts auditor. If the accounts auditor faces any difficulties while performing his duties, he shall record the same in a report to be presented to the board of directors. If the board has not facilitated the accounts auditor report, he should ask the board of directors to summon the normal general assembly to look into this affair.

Chapter No (7): The Company Accounts and Profits Distribution

Article No (40): The Fiscal Year:

The company's fiscal year starts on the first day of (January) and ends at 31 (December) of every year

Article No (41): Financial Documents:

- 1- The board of directors shall, at end of every financial year, prepare the financial statements of the company, and a report on activity of the company and its financial position of the fiscal year then ending, and the report shall include the way proposed for distribution of the profits, and the board puts these documents under disposition of the auditor before the time determined for holding the general assembly by a period determined according to relevant laws.
- 2- Chairman of the board of directors of the company and its CEO and financial manager shall sign the documents mentioned in clause No (1) hereof, and copies thereof shall be deposited at the company head office under disposition of the shareholders before the time fixed for holding the general assembly according to the relevant regulations and laws.



Article No (42): Distribution of Profits:

The company may distribute to its customers at any time on quarterly, bi-annual or annual basis some profits from the distributable profits according to the audited or inspected financial statements, and subject to controls and procedures of the laws issued by the competent authorities.

The company may set aside the obligatory reserves and other reserves while observing controls, procedures and laws issued by the competent entities in this regard.

Article No (43): Entitlement to Profits

The shareholder is entitled to his share in the profits according to 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. And the dates set by the Shareholders' Assembly or the Board of Directors - as the case may be - and in accordance with the instructions issued by the competent authority.

Article No (44): The Company Losses:

If the company's losses amount to (half) of the issued capital, the Board of Directors must disclose that and its recommendations regarding those losses within (sixty) days from the date of its knowledge of reaching this amount, and invite the Extraordinary General Assembly to convene within (one hundred and eighty) days from the date of knowledge of this to consider the continuation of the company while taking any of the necessary measures to deal with or resolve such losses, and the responsibility also rests on any official, manager, board member, or auditor when any of them knows that the losses have reached the specified amount in accordance with the provisions of the Companies Law and its regulations And this system.

Chapter No (8): Disputes



Article No (45): Responsibility Claim

The company may file a liability lawsuit against the members of the Board of Directors for violating the provisions of the Companies Law and its regulations or this law, due to what may be issued by them in terms of errors, negligence or



failure in the performance of their work and resulting in damages to the company, and for any shareholder or more representing (5%) five percent of The company's capital raises the liability claim established for the company in the event that the company fails to 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, that the lawsuit is based on a correct grounds and in good faith, and that the one who filed it at the time of the case is a shareholder in the company, with the condition that the members of the Board of Directors be notified of the intention to file the case before the period specified by law for filing it, and the approval of the general assembly of shareholders to release the members of the Board of Directors from liability does not preclude filing the case in accordance with the provisions of the Companies Law, and with the exception of cases of forgery and fraud - the liability claim is not heard after the lapse of five years from the date of the end of the financial year of the company in which the harmful act occurred, or three years from the end of the membership of the concerned board of directors - whichever is later.

Chapter No (9): The Company Dissolution and Liquidation

Article No (46): The Company Termination

The company is terminated by one of the matters stipulated in the relevant regulations, and in the event of its dissolution, the General Assembly decides, based on a proposal by the Board of Directors, the method of liquidation and the appointment of one or more liquidators from among the partners, shareholders, or others, and determines their validity, fees, and the period stipulated in accordance with the relevant regulations, and the authority of the Board of Directors ends with the expiration of the company. However, the board continues to manage the company until a liquidator is appointed, and the company's systems retain their competences to the extent not conflicting with the powers of the liquidators.





Chapter No (10): Final Provisions

Article No (47) : Applying Relevant Law

Relevant laws & regulations shall be applicable for all matters not provided for in these articles.

