

NORTHERN REGION CEMENT CO.

Bylaws

Of the Northern Region Cement Company

Saudi Joint Stock Company

Part I: COMPANY'S INCORPORATION

Article 1: Incorporation

In accordance with the provisions of the Companies Law and these Bylaws, it is hereby established a Saudi Joint Stock company, as follows:

Article 2: Company's Name

Northern Region Cement Company (Listed Saudi Joint Stock Company)

Article 3: Company's Purposes

The Company shall carry out and implement the following purposes:

- 1- Production of all types of cement under the industrial license No. 900 /I dated 28/4/1426 H amended by virtue of Ministerial Decision No. (1405/I) dated 26/7/1426 H amended by No. (2309) dated 25/7/1437 H.
- 2- Management and operation of cement factories of all kinds.
- 3- Wholesale and retail trade in the Company's products and building materials, including their import and export.
- 4- Management, operation and maintenance of industrial facilities complementary to the purpose of the Company.
- 5- Owning real estate to set up the Company's facilities.
- 6- Commercial agencies.

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

Article 4: Participation and Ownership in Companies

The Company may establish, by itself (limited liability or closed joint stock) companies, (provided that their capital is no less than five (5) million Saudi riyals). The Company may own stocks and shares in other existing companies or merge with them and may participate with others in establishing joint stock or limited liability companies after fulfilling the requirements of the laws and instructions followed in this regard. The Company may also dispose of these stocks or shares, provided that this does not include acting as a broker in trading such stocks or shares.

Article 5: Company's Head Office

The Company's head office is located in Turaif. The Company may open branches, offices or agencies inside or outside the KSA by resolution of the Company's Board of Directors. The head office may be transferred to any other city in the Kingdom of Saudi Arabia by virtue of a decision of the extraordinary general assembly and with the approval of the competent authorities.

Article 6: Company's Term

The Company's term is ninety-nine (99) Gregorian years as of the date its registration with the commercial register. Such term may be extended by resolution of the Extraordinary General Assembly taken at least one year prior to the term of the Company.

PART II: CAPITAL AND SHARES**Article 7: Capital**

The Company's capital is one billion, eight hundred million Saudi riyals (SAR 1,800,000,000) divided into one hundred eighty million (180,000,000) shares, all of which are of equal value and the nominal value of each is ten (10) riyals. All the shares are ordinary cash shares.

Article 8: Preferred Shares

The Company may, by resolution of the Extraordinary General Assembly and in accordance with the principles set by the competent authorities, issue preferred shares, decide to purchase such shares or convert ordinary shares to preferred shares or convert preferred shares into ordinary shares. Preferred shares shall have no voting rights at the Shareholders General Assemblies. Such shares will entitle their holders to receive a percentage of the Company's net profits larger than the percentage received by holders of ordinary shares, after setting aside the statutory reserve.

Article 9: Sale of Unpaid Shares

A shareholder shall pay the value of a share at the specified dates. If a shareholder fails to pay on the due date, the Board may, after notifying such shareholder by publication in a daily newspaper distributed in the area where the Company's head office is located, or informing them through registered mail, sell such share in a public auction or in the capital market, as the case may be, in accordance with the rules set by the competent authority.

The Company shall receive the amounts due thereto from the sale proceeds and shall return any remaining amount to the shareholder. If the sale proceeds are insufficient to cover these amounts, the Company may collect the remaining amount from the shareholder.

However, the defaulting shareholder up to the sale date may pay the due amount, in addition to any expenses incurred by the Company in this respect.

The Company shall cancel the sold share according to the provisions of this article and shall give the purchaser a new share bearing the number of the cancelled share. It shall also indicate in the shareholder register that the sale has taken place while mentioning the name of the new shareholder.

Article 10: Issuance of Shares

The shares are nominal, and they may not be issued for a value lesser than their nominal value. The Company may issue shares for a value higher than their nominal value, provided that the difference in value is added in a separate item within the shareholder rights and may not be distributed to shareholders as dividend. A share is indivisible with respect to the Company. If a share is owned by multiple persons, they shall select one of them represent them in exercising the rights relating to the share. Said persons shall be jointly liable for the obligations arising from the share ownership.

Article 11: Trading in Shares

The shares subscribed by the founders may not be traded until after the financial statements for two fiscal years have been published, each of which is not less than twelve months from the date of the company's incorporation. The bonds of these shares shall be marked with an indication of their type, date of company incorporation, and the period during which trading is prohibited.

However, during the prohibition period, the ownership of shares may be transferred, in accordance with the provisions of the sale of rights, from one of the founders to another founder or from the heirs of one of the founders in the event of their death to third parties or in the event of execution on the funds of the insolvent or bankrupt founder, provided that the priority of owning those shares is given to the other founders.

The provisions of this article shall apply to what the founders subscribe to in the event of an increase in the capital before the expiry of the prohibition period.

Article 12: Shareholder Register

Company's shares shall be traded in accordance with the provisions of the Capital Market Law.

Article 13: Capital Increase

- 1- The Extraordinary General Assembly may decide to increase the Company's capital provided that the capital has been paid in full. It is not required that the capital has been paid in full if the unpaid part of the capital belongs to shares issued in exchange for converting debt instruments or financing instruments into shares and the period prescribed for their conversion into shares has not yet expired.
- 2- The Extraordinary General Assembly may, in all cases, allocate all or part of the shares issued for capital increase to employees of the Company and all or part of its subsidiaries. Shareholders may not exercise pre-emptive rights if the Company issues shares for employees.
- 3- At the time the Extraordinary General Assembly issues a resolution approving the capital increase, a shareholder will be entitled to a pre-emptive right to subscribe to the new shares issued against cash contribution. Such shareholder shall be notified of their pre-emptive right by publishing a notice in a daily newspaper or by notifying them through registered mail of the resolution of capital increase as well as the conditions, duration and commencement and expiry date of the subscription.
- 4- The Extraordinary General Assembly may suspend the application of the pre-emptive right vested in shareholders to subscribe to the capital increase against cash contribution, or it may vest such right in persons other than the shareholders in cases it deems this is appropriate for the Company's interest.
- 5- A shareholder may sell or assign the pre-emptive right during the period from the date the General Assembly resolution approving the capital increase is adopted until the last day of subscription to the new shares associated with such right, in accordance with the controls set by the competent authority.
- 6- Subject to paragraph (4) above, the new shares shall be distributed to holders of pre-emptive right, who requested subscription pro rata their pre-emptive right of the total pre-emptive rights resulting from the capital increase, provided that the shares they receive do not exceed the amount of new shares they requested. The remainder of the

new shares shall be distributed to holders of pre-emptive right who requested more than their respective shares pro rata their pre-emptive right of the total pre-emptive rights resulting from the capital increase, provided that the shares they receive do not exceed the amount of new shares they requested. The remaining shares shall be offered to third parties, unless the Extraordinary General Assembly decides or the Capital Market Law states otherwise.

Article 14: Capital Reduction

The Company's capital may, by resolution of the Extraordinary General Assembly, be reduced, if the capital exceeds the Company's need or if the Company has incurred losses. In the latter case only, the capital may be reduced below the limit set in Article (54) of the Companies Law. The reduction resolution shall only be issued after examining a special report prepared by the auditor explaining the reasons for the reduction, the Company's obligations and the effect of the reduction on these obligations.

If the capital reduction is a result of the capital being in excess of the Company's need, the creditors shall be invited to submit their objections to such reduction within sixty days as of the date the reduction decision is published in a daily newspaper distributed in the area in which the Company's head office is located. If a creditor objects to such reduction and submits to the Company their documents on the specified date, the Company shall pay their debt if already due or shall provide them with sufficient guarantee to satisfy their debt if it is due in the future.

PART III: BOARD OF DIRECTORS

Article 15: Management of the Company

The Company shall be managed by a Board of Directors composed of six (6) members to be elected by the Ordinary General Assembly of Shareholders for a term not exceeding three (3) years.

Article 16: Expiry of Board Membership

Membership of a Board member shall expire upon the expiry of the Board of Directors' term or if the member becomes unfit for membership according to any law or instructions applicable in the Kingdom. However, the Ordinary General Assembly may, at all time, dismiss all or any of the Board members without prejudice to the right of a dismissed member to hold the Company liable for a compensation if such dismissal is made without a reasonable reason or at inappropriate time. A Board member may resign, provided that such resignation is made at an appropriate time, otherwise such member shall be liable towards the Company for any damage resulting from such a resignation.

Article 17: Vacant Positions in the Board

If the position of a Board member becomes vacant, the Board may appoint a member to temporarily fill the vacancy, provided that such member meets the conditions of experience and efficiency. The Ministry of Commerce and Investment shall be notified accordingly within five (5) days from the date of appointment. The appointment shall be referred to the Ordinary General Assembly in its first meeting. The new member shall complete the term of their predecessor. If the board of directors fails to convene due to not satisfying the minimum

number of members as prescribed in the Companies Law or these Bylaws, the existing members shall call for an Ordinary General Assembly within sixty (60) days to elect the required number of members.

Article 18: Powers of the Board

- 1- Without prejudice to the powers of the Ordinary General Assembly, the Board shall have the broadest powers in managing the Company to achieve its purposes, managing its affairs inside and outside the Kingdom, supervising all of its business, funds, and all transactions, and signing on behalf of the Company. It has also the right to appoint and dismiss employees and workers, request visas, recruit manpower from outside the Kingdom, contract with them, determine their salaries, issue residencies, transfer and waive sponsorships, dispose of the Company's assets, property and real estate, it shall also have the right to purchase, accept, pay the price, mortgage, release the mortgage, sell, assign, receive and deliver the price, provided that the minutes of the Board of Directors specify the rationale for its decision to dispose of the assets, property and real estate of the Company, taking into account the following conditions:
 - a- The Board of Directors shall specify in the sale decision its reasons and justifications.
 - b- The sale should be close to the standard price.
 - c- The sale shall be present except in cases of necessity and with sufficient guarantees.
 - d- Such disposal shall not result in the suspension of some of the Company's activities or burdening it with other obligations.

The Board of Directors may also contract loans with government financing funds and institutions, regardless of their term, and commercial loans whose term does not exceed the end of the Company's term, taking into account the following conditions for contracting loans whose term exceeds three years:

 - a- The value of the loans that the board may contract during the Company's financial year shall not exceed 50% of the Company's capital.
 - b- The Board of Directors shall determine in its decision the uses of the loan and its method of payment.
 - c- The terms of the loan and the guarantees provided to it shall not harm the Company, its shareholders and the general guarantees for the creditors.

The Board of Directors shall also have the right of compromise, assignment, contract, commitment and association in the name of the Company and on its behalf, and the Board of Directors may carry out all acts and actions that would achieve the objectives of the company.

The Board of Directors may delegate on its behalf, within the limits of its competence, one or more of its members or a third party to take a specific action or carry out specific activity or activities. The Board has the right to delegate its powers and competencies to whomever it deems fit.
- 2- The Company's Board of Directors may, in the cases it determines, discharge the Company's debtors from their obligations in accordance with what serves its interest, provided that the minutes of the Board of Directors include the justifications for the resolution with the following conditions being taken into consideration:

- a- The discharge of liability shall be at least one year after the debt creation.
 - b- The discharge shall be for a specified amount for each year per debtor; and
 - c- The discharge is a right vested in the Board and, accordingly, it shall not be delegated.
- 3- Appointing its managers, appointing department managers and heads of sections, determining their powers, employees, regular and technical workers, determining their salaries and budget, concluding contracts with them, and dismissing them.

It is worth mentioning that all of these powers and authorities may be exercised inside and outside the Kingdom of Saudi Arabia, and the Board of Directors may authorize or delegate on its behalf, within the limits of its competence, one or more of its members or third parties to take a specific action or carry out specific activity or activities and cancel the delegations and authorizations in whole or in part.

Article 19: Remuneration of the Board Members

Remuneration of the Board of Directors shall consist of the percentages specified in paragraph (5) of article (45) of the Bylaws and within the limits of the provisions of the Companies Law and Regulations. The Board's report to be submitted to the Ordinary General Assembly shall include a comprehensive statement of all benefits received by the Board members during the financial year, including bonuses, expense allowances and other benefits. The report shall also include a statement of the amounts received by the Board members in their capacity as employees or administrators or any other amounts received thereby in consideration of technical or administrative activities or consultations. The report shall include as well as statement of the number of Board meetings and the number of meetings attended by each member since the date of the last meeting of the General Assembly.

Article 20: Powers of the Chairman, Vice Chairman, Managing Director and the Secretary

The Board shall appoint, from amongst its members, a Chairman and a Vice Chairman. It may also appoint a Managing Director. The Chairman may not hold any executive position in the Company.

The Chairman shall be competent to represent the Company in its relations with others and before government agencies, notaries, courts, all types of committees for resolution of disputes, arbitration panels, civil rights panels, police stations, chambers of commerce and industry, private bodies, government funds and all types of companies and enterprises. The Chairman may issue legal powers of attorney, appoint and dismiss attorneys, file pleadings and defenses, litigate and conclude reconciliations, make acknowledgements and resort to arbitration, accept and refuse judgments on behalf of the company, sign all types of contracts, documents and deeds, including but not limited to, memorandums of incorporation of companies in which the Company has shares and all amendments and annexes thereto. The Chairman shall be entitled to sign agreements, instruments and conveyances before public notaries and official authorities. The Chairman may take out loan agreements of all kinds, sign guarantees, warrantees and mortgages and lift same, collect the company's rights and settle its obligations, sell, purchase, make and accept assignments, receive and deliver, rent and lease, collect and pay, enter into tenders, open bank accounts and credits, carry out withdrawals and deposits with banks, issue bonds and checks, dismiss from service, request visas, recruit

employees and workers from abroad, obtain residency and work permits, and transfer and assign sponsorships.

The Chairman may authorize and delegate others within the limit of his powers, to carry out a specific action or act or perform one or more specific works, with the right to, fully or partially, cancel the authorization or delegation.

The Managing Director shall have powers entrusted thereto by the Board of Directors.

The Board of Directors shall determine, at its discretion, the special remuneration of the Chairman, the Vice Chairman and the Managing Director, as well as the remuneration allocated to the members of the Board of Directors, within the limits of the Companies Law and its regulations.

The Board of Directors shall appoint a Secretary to be selected from among the Board members or third parties to record and keep minutes of the Board meetings and resolutions. The Secretary shall have the other powers conferred thereto by the Board of Directors, which shall determine his remunerations.

The term of the Chairman, Vice Chairman, Managing Director and Secretary of the Board of Directors shall not exceed the term of their membership in the Board. They may be re-elected, and the Board may at any time dismiss all or any of them, without prejudice to the dismissed party's right to compensation if the dismissal occurs for an unlawful reason or at an appropriate time.

Article 21: Meetings of the Board

The Board shall meet no less than twice annually by invitation of its Chairman. The invitation must be in writing and must be delivered in person, through mail, facsimile or Email. The Chairman shall call the Board to convene whenever two (2) members request that therefrom.

Article 22: Quorum of the Board Meetings

The Board meeting shall not be deemed valid unless attended by at least three (3) members, provided that the number of members present in person is no less than three (3) members. A member may delegate another member to attend or vote on their behalf according to the following requirements:

- a. A Board member shall not delegate more than one member in attending the same meeting.
- b. Said delegation shall be in writing and in respect of a specified meeting. The members acting by proxy may not vote on resolutions that their principal is prohibited from voting thereon by virtue of the Bylaws.

The resolutions of the Board of Directors shall be passed by the majority of votes of members who are present in the meeting in person or by proxy. In case of a tie vote, the Chairman shall have a casting vote.

The Board of Directors may issue resolutions, when necessary, by submitting them to each of its members separately unless a member submits a written request for convening a meeting of the Board of Directors for deliberation of the said resolutions. In this case, the issued resolutions shall be submitted to the Board of Directors in the next meeting.

Article 23: Deliberations of the Board

Deliberations and resolutions of the Board shall be documented in minutes to be signed by the Chairman of the Board, the Board members attending the meeting and the Secretary. The minutes shall be recorded in a special register to be signed by the Chairman of the Board and the Secretary.

PART IV: SHAREHOLDERS' ASSEMBLIES**Article 24: Attending Assemblies**

Each subscriber, regardless of the number of shares held, shall have the right to attend the Constituent Assembly and each shareholder shall have the right to attend the Shareholders General Meetings. Shareholders may also authorize a third party, other than Board members or Company employees, to attend the General Assembly on their behalf.

Article 25: Constituent General Assembly

The founders shall invite all subscribers to hold a Constituent Assembly within forty-five (45) days from the date of the Ministry's decision to authorize the establishment of the Company. The Assembly shall be valid only if attended by a number of subscribers representing at least one-half of the Company's capital. If such quorum is not present at the first meeting, a second meeting shall be called to be held after one hour of the specified expiry period for the first meeting, provided that the invitation to the first meeting shall include that. In all cases, the second meeting shall be valid regardless of the number of subscribers represented therein.

Article 26: Responsibilities of the Constituent General Assembly

The Constituent Assembly shall be competent to deal with the matters set in Article (63) of the Companies Law.

Article 27: Responsibilities of the Ordinary General Assembly

Except for matters reserved for the Extraordinary General Assembly, the Ordinary General Assembly shall be competent to deal with all other matters related to the Company and shall be convened at least once a year during the first six (6) months following the end of the Company's fiscal year. Other Ordinary General Assembly meetings may be called when necessary.

Article 28: Responsibilities of the Extraordinary General Assembly

The Extraordinary General Assembly shall be competent to amend the Company's Bylaws, except for the provisions whose amendment is prohibited by law. Furthermore, the Extraordinary General Assembly shall be empowered to adopt resolutions in matter within the scope of powers of the Ordinary General Assembly under the same conditions and controls set for the Ordinary General Assembly.

Article 29: Calling for Meetings of Assemblies

Meetings of the Ordinary or Special Assemblies shall be held by call of the Board. The Board shall call for a meeting of the Ordinary General Assembly if requested to do so by the auditor, the Audit Committee or a number of shareholders representing at least 5% of the capital. The

auditor may call for a meeting of the General Assembly when the Board fails to call for such a meeting within thirty (30) days from the date of the auditor's request to do so.

The call for a meeting of the General Assembly shall be published in a daily newspaper distributed in the area where the Company's head office is located at least twenty-one (21) days prior to the date set for such meeting. However, it may be sufficient to send the invitation for the meeting at the said time to all shareholders by registered mail. A copy of the invitation and the agenda shall be sent to the Ministry and the Capital Market Authority within the period specified for publication.

Article 30: Assembly Record of Attendance

Shareholders who wish to attend Ordinary or Special General Assembly meetings shall register their names at the Company's head office before the time specified for the Assembly.

Article 31: Quorum for Meetings of the Ordinary General Assembly

Ordinary General Assembly meetings shall be valid only if attended by shareholders representing at least one-quarter of the Company's capital. If such quorum is not met in the first meeting, a second meeting shall be held one hour after the lapse of time set for the first meeting, provided that the invitation for holding the first meeting indicates the possibility of holding such meeting. The invitation shall be published in accordance with the provisions of article (29) of these Bylaws. In all cases, the second meeting shall be valid regardless of the number of shares represented therein.

Article 32: Quorum for Meetings of the Extraordinary General Assembly

A meeting of the Extraordinary General Assembly shall be valid only if attended by shareholders representing at least one-half of the Company's capital. If such quorum is not attained in the first meeting, a second meeting shall be held one hour after the lapse of time set for the first meeting, provided that the invitation for holding the first meeting indicates the possibility of holding such meeting. The second meeting shall be valid if attended by a number of shareholders representing at least one-quarter of the capital.

If the quorum is not met in the second meeting, an invitation shall be made for a third meeting to be held under the same conditions provided for in article 29 of these Bylaws. The third meeting shall be valid regardless of the number of shares represented therein after obtaining the approval of the competent authority.

Article 33: Voting at Meetings of the Assemblies

Each subscriber shall have one vote for each share they represent at the Constituent Assembly and each shareholder shall have one vote for each share they represent at the General Assembly meetings. Cumulative voting shall be applied in the election of the Board members.

Article 34: Resolutions of the Assemblies

Resolutions of the Constituent Assembly shall be passed by absolute majority of the shares represented at the meeting. Resolutions of the Ordinary General Assembly shall be passed by absolute majority of the shares represented at the meeting and resolutions of the Extraordinary General Assembly shall be passed by a majority vote of two-thirds of the shares represented at the meeting, unless the resolution is related to increasing or reducing the capital, extending the term of the Company or dissolving the Company prior to the term specified in its Bylaws

or merger of the Company with another company, in which case such resolution shall not be valid unless it is issued by a majority of three-quarters of the shares represented at the meeting.

Article 35: Deliberations at Meetings of Assemblies

Each shareholder shall have the right to discuss the items listed on the agenda of the Assembly and may address questions in respect thereof to the members of the Board and the auditor. The Board members or the auditor shall answer questions of the shareholders to the extent that such is not detrimental to the Company's interests. If a shareholder deems the answer to their question is unsatisfactory, they may refer the issue to the Assembly whose resolution in that regard shall be effective and binding.

Article 36: Presiding over Assemblies and Keeping Minutes

The General Assembly of shareholders shall be presided over by the Chairman of the Board; the Vice Chairman of the Board, in case of absence of the Chairman, or by whomever the Board delegates from its members for this purpose, in case of absence of the Chairman and the Vice Chairman of the Board.

Meeting minutes shall be drafted indicating the number of shareholders attending or represented, the number of shares they hold in their personal capacity or by proxy, the number of votes they are entitled to, the resolutions passed and the number of votes for or against them and a comprehensive summary of the deliberations that took place during the meeting. After each meeting, minutes shall be regularly recorded in a special register to be signed by the Assembly's Chairman, secretary and the Scrutinizer.

PART V: AUDIT COMMITTEE

Article 37: Formation of the Committee

By resolution of the Ordinary General Assembly, an audit committee shall be composed of three (3) members, other than from the executive members of the Board and whether or not from amongst the shareholders. The resolution must specify the functions and controls of the Committee and the remuneration of its members.

Article 38: Quorum of the Committee Meetings

An audit committee meeting shall be valid only if attended by majority of its members, and its resolutions shall be passed by a majority vote of attending members. In case of a tie, the Chairman of the committee will have a casting vote.

Article 39: Powers of the Committee

The audit committee shall be responsible for overseeing the Company's activities. To this end, the Committee shall have access to the Company's records and documents. It shall also be entitled to request members of the Board or the executive management to provide it with any clarification or statement and may request that the Board of Directors calls for a meeting of the Company's General Assembly if the Board hinders its work or if the Company suffers material damage or loss.

Article 40: Reports of the Committee

The Audit Committee shall be responsible for examining the Company's financial statements, reports, and notes submitted by the auditor and shall give its opinion thereon, if any. The

Committee shall also draft a report including its opinion on the efficiency of the Company's internal audit system and other duties that fall within its competence. The Board shall keep sufficient copies of the Committee's report at the Company's head office at least twenty-one (21) days prior to the date the General Assembly convenes to provide any interested shareholder with a copy of the report. Said report shall be read during the Assembly meeting.

PART VI: AUDITOR

Article 41: Appointment of Auditor

The Company shall have one or more auditors from amongst the auditors licensed to work in the Kingdom. Such auditor shall be appointed by the Ordinary General Assembly which shall determine their remuneration and term of office. The Assembly may also, at all times, replace said auditor without prejudice to their right to claim compensation if the replacement occurred at inappropriate time or for an illegitimate reason.

Article 42: Powers of the Auditor

The auditor may, at any time, have access to the books and records of the Company and any other documents, may ask for any statements or clarifications they deem necessary to verify the assets and liabilities of the Company and may perform any other function within the scope of his work. The Chairman of the Board shall enable the auditor to perform their duties. If the auditor encounters any difficulty in this regard, they shall document the same in a report to be submitted to the Board. Failure of the Board to facilitate the work of the auditor, the auditor shall ask the Board to call for a meeting of the Ordinary General Assembly to examine the issue.

PART VII: COMPANY'S ACCOUNTS AND DISTRIBUTION OF DIVIDENDS

Article 43: Financial Year

The Company's financial year shall commence on January 1 and will end on 31 December of each year. The first financial year shall commence from the date the ministerial resolution approving the establishment of the Company and will end by the end of December of the following year.

Article 44: Financial Documents

- 1- At the end of the financial year, the Board of Directors shall prepare the Company's financial statements together with report on its activities and financial position for the previous financial year. The report shall include the method proposed for distribution of dividends. The Board shall put these documents at the disposal of the auditor at least forty-five (45) days prior to the date scheduled for the convening of the General Assembly.
- 2- The Company's Chairman of the Board, CEO and CFO shall sign the documents referred to in paragraph (1) of this article. Copies of these documents shall be kept at the Company's head office at the disposal of the shareholders at least twenty-one (21) days prior to the date set for the convening of the General Assembly.
- 3- The Chairman of the Board shall provide the shareholders with the Company's financial statements, the Board report and the auditor's report, unless they are published in a daily newspaper distributed in the area where the Company's head office

is located. He shall also send a copy of these documents to the Ministry and the Capital Market Authority at least fifteen (15) days prior to the date set for the convening of the General Assembly.

Article 45: Distribution of Dividends

The annual net profits of the Company shall be distributed as follows:

- 1- Ten percent (10%) of the net profits shall be set aside to form the statutory reserve. The Ordinary General Assembly may decide to discontinue such allocations if the statutory reserve reaches (30%) of the paid-up capital.
- 2- The Ordinary General Assembly may, upon the recommendation of the Board of Directors, set aside a percentage of the net profits to form an additional reserve to be allocated as it sees fit to serve the interests of the Company.
- 3- The Ordinary General Assembly may resolve to form other reserves to the extent that such achieve the Company's interest or ensures, as far as possible, consistent distribution of dividends to shareholders. The Assembly may also deduct from the net profits amounts to establish social institutions for the Company's employees or to assist existing institutions.
- 4- of the remaining amount, a percentage representing 5% of the Company's paid-up capital shall be distributed as to shareholders.
- 5- Subject to provisions set forth in article (2) of the Company's Bylaws and Article (76) of the Companies Law, 10% shall be set aside to remunerate the Board of Directors, provided that such remuneration is proportionate to the number of sessions attended by each member of the Board.
- 6- The balance shall be distributed among the Shareholders as an addition share of the dividends.
- 7- The company may, after fulfilling the conditions issued by the competent authorities, distribute semi-annual and quarterly profits.

Article 46: Entitlement to Dividends

A shareholder shall be entitled to their share of dividends in accordance with the resolution adopted by the General Assembly in this regard. The said resolution must indicate the date of entitlement and the date of distribution. Shareholders eligible to receive dividends shall be those whose names appear on the Shareholder Registers at the end of the entitlement date.

Article 47: Distribution of Dividends to Holders of Preferred Shares

- 1- If no dividends are distributed for any financial year, no dividends may be distributed for the following years except after payment of the percentage specified in the provisions of Article 114 of the Companies Law to holders of preferred shares for that year.
- 2- If the Company fails to pay the specified percentage under the provisions of Article 114 of the Companies Law from the dividends for three (3) consecutive years, the Special Assembly of holders of these shares, convened pursuant to Article 89 of the Companies Law, may resolve either to attend the meetings of the Company's General Assembly and to participate in voting or to appoint representatives thereof at the Board of Directors in proportion with the value of their shares in the capital until the

Company pays all priority dividends allocated for holders of such shares for the previous years.

Article 48: Company's Losses

- 1- If losses of a joint stock company reach one-half of the paid capital, at any time during a financial year, any officer of the Company or the auditor shall, upon being aware of such losses, notify the Chairman of the Board of such losses. The Chairman of the Board shall notify the Board members of such losses forthwith. Within fifteen (15) days from the date of being aware of the losses, the Board shall call for a meeting of the Extraordinary General Assembly within forty-five (45) days from the date the Board is aware of the losses in order to decide either to increase or reduce the Company's capital in accordance with the provisions of the Companies Law to the extent where losses are decreased below one-half of the paid capital or to dissolve the Company prior to the term set herein.
- 2- The Company shall be deemed to have deemed terminated by the force of the Companies Law if the General Assembly does not meet within the time specified in paragraph 1 of this article, or if the Assembly meets and is unable to pass a resolution in this regard or if the Assembly decides to increase the capital according to the conditions stipulated in this article but not all of the capital increase shares have been subscribed to within ninety (90) days from the date the Assembly's resolution to increase the capital is passed.

PART VIII: DISPUTES

Article 49: Liability Action

Each shareholder has the right to file a liability action, which is vested in the Company, against the Board members if they committed a fault which has caused special damage to the shareholder. Such liability action may only be filed by the shareholder if the Company's right to file such action remains valid. A shareholder shall inform the Company of their intent to file the action.

PART IX: DISSOLUTION AND LIQUIDATION OF THE COMPANY

Article 50: Expiration of the Company

Upon its expiry, the Company shall enter liquidation and retain its legal personality to the extent necessary for the liquidation. The Extraordinary General Assembly shall adopt a resolution to voluntarily liquidate the Company. The liquidation resolution shall include appointment of a liquidator and specify their powers, fees, and limitations of their powers as well as the timeframe required for liquidation, which in cases of voluntary liquidation may not exceed five (5) years, extendable only by court order. The powers of the Board shall cease upon the dissolution of the Company; however, members of the Board shall remain responsible for the management of the Company and take on the capacity of liquidators when dealing with third party until a liquidator is appointed. The General Assemblies shall remain valid during the liquidation period and its role shall be restricted to performance of its functions that do not contradict those of the liquidator.

PART X: FINAL PROVISIONS

Article 51:

The Companies Law and its regulations shall apply to all other matters not specifically provided for herein.

Article 52:

These Bylaws shall be filed and published in accordance with the provisions of the Companies Law and its regulations.

Company's Name Northern Region Cement Company	Bylaws		Ministry of Commerce (Operation Department)
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Published based on the decisions of the Extraordinary Assembly held on 28/6/2022