

## **The Articles of Association of Qassim Cement Company**

**Approved by EGM 51 Dated 10/06/2024 corresponding to 04/12/1445 (H)**

Paragraph	Text
Article (1) Establishment	The company was established in accordance with the provisions of the Companies Law, and this Articles of Association is a Saudi joint stock company between the owners of the shares, and its provisions are set out as follows:
Article (2) Name of the company	The company's name is Qassim Cement Company - (a Saudi joint stock company).
Article (3) The Company's Headquarters:	The company's head office is located in the city of Buraydah in the Qassim region, and the Board of Directors may establish branches, offices or agencies inside or outside the Kingdom of Saudi Arabia.
Article (4) Company objectives	The company's objectives are to manufacture, produce and trade cement, its derivatives, components and accessories, as well as to carry out all works related directly or indirectly to this objective.
Article (5) Participation and ownership in companies	While adhering to the Companies Law and its regulations, the company may have an interest or establish a company or companies alone or with others, or participate in any way with bodies or companies that engage in businesses similar to its business or businesses that represent an extension of its activities, branch off from its activity, or support it, and in the areas of maintenance, operation and transportation that may help it achieve its objectives, and it may own shares or stakes in these companies and merge, amalgamate, or purchase them. It may also have an interest or participate in any way with other companies, not exceeding the value of its reserves, and informing the Ordinary General Assembly at its first meeting.
Article (6) Duration of the Company	The duration of the company is (99) ninety-nine calendar years starting from the date of issuance of the Minister of Commerce's Decree announcing the incorporation of the company in Commercial Registry No. 1131001224 dated 08/28/1392 AH corresponding to 08/02/1978 AD. The company was established pursuant to the Royal Decree No. M/62 dated 15/ 08/1396 AH corresponding to 08/11/1976 AD. It is always permissible to extend the company's term by a decision issued by the extraordinary general assembly of shareholders at least one year before its expiry.
Article (7) Capital	The company's capital was set at one billion one hundred five million five hundred ninety thousand (1,105,590,000) Saudi riyals, divided into one hundred ten million five hundred fifty nine thousand (110,559,000). The nominal value of the share is (10) ten Saudi riyals and all of these shares are ordinary.
Article (8) Subscription to Shares	Shareholders subscribed for the full capital shares amounting to One hundred ten million, five hundred fifty-nine thousand (110,559,000) shares representing 100% of the shares fully paid to the company.
Article (9) Selling shares of incomplete value	If the shareholder fails to pay the payment on the due date, the Board of Directors may, after informing him - by registered letter or by - any modern technical means - sale the stock at a public auction or capital market, as the case may be
Article (10) Issuing Shares	The shares shall be nominal and indivisible before the company. If the share is owned by multiple persons, they must choose one of them to act on their behalf in exercising the rights related to it. These persons shall be jointly responsible for the obligations arising from ownership of the share. Shares may not be issued for less than their nominal value, but rather It may be issued at a higher value than this value. In this last case, the difference in value is placed in a separate item within shareholders' equity. The regulations specify controls for its use.

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Article (11) Trading in Shares and Register of Shareholders	Trade stocks in the capital market according to The provisions of the Capital Market law and its Executive Regulations. A shareholder's subscription or ownership of shares indicates his 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 these Articles of Association, whether he is present or absent and whether he agrees with the decisions, or opposes them.
Article (12) Preferred shares	The extraordinary general assembly, in accordance with the provisions of Islamic Sharia and based on the principles established by the competent authority in accordance with the Law, may issue preferred shares, decide to purchase them, convert ordinary shares into preferred shares, or convert preferred shares into ordinary shares. Preferred shares do not give the right to vote in general assemblies. It is not permissible to issue new shares that have priority over them except with the approval of a special assembly composed - in accordance with Article Eighty-Nine of the Companies Law - of the owners of preferred shares who are harmed by this issuance, and with the approval of a general assembly composed of all categories of shareholders.
Article (13) The company's purchase of its shares	The company may purchase its ordinary or preferred shares or mortgage them. The company may purchase its shares to allocate them to the company's employees within the employee stock program in accordance with the statutory controls. The shares purchased by the company do not have votes in the shareholders' assemblies.
Article (14) Sale of treasury shares	The company may sell treasury shares in accordance with regulatory controls and procedures.
Article (15) Mortgage of Shares	The company may mortgage its shares as security for a debt owed by others, in accordance with legal controls and procedures.
Article (16) Capital increase	<ol style="list-style-type: none"> <li>1) The extraordinary general assembly may decide to increase the company's issued or authorized capital- If any - provided that the issued 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 is due to shares issued in exchange for converting debt instruments or financing instruments into shares and the period specified for their conversion into shares has not yet expired.</li> <li>2) In all cases, the Extraordinary General Assembly may allocate the shares issued upon increasing the capital or part of them to the employees of the company and its subsidiaries or some of them, or any of them. Shareholders may not exercise their priority right when the company issues shares allocated to employees.</li> <li>3) Capital is increased in one of the following ways: <ol style="list-style-type: none"> <li>a. Issuing new shares in exchange for cash or in-kind shares.</li> <li>b. Issuing new shares in exchange for the company's debts of a certain amount in the event of payment, with the approval of the creditors concerned ,provided that the issuance shall be at the value decided by the extraordinary general assembly after seeking the opinion of an expert or certified evaluator or more, after the Board of Directors prepares a statement about the origin and amount of these debts, and the Board members sign this statement and they are responsible for its validity, and a report from the company's auditor shall be attached thereto.</li> <li>c. Issuing new shares equivalent to the amount of the reserve that the extraordinary general assembly decides to incorporate into the</li> </ol> </li> </ol>

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	<p>capital. These shares must be issued in the same form and conditions as the issued shares of the same type or class, and these shares are distributed to the shareholders free of charge in proportion to the original shares owned by each of them.</p> <p>d. D) Issuing new shares in exchange for debt instruments or financing instruments.</p> <p>4) For the shareholder who owns the share - at the time of issuance of the extraordinary general assembly's decision approving an increase in the issued capital or the Board of Directors' decision approving its increase within the limits of the authorized capital, priority in subscription to new shares issued in exchange for cash shares, and its priority shall be communicated - If any - With a letter registered to the address listed in the shareholder registry, or through modern technological means, along with notifying the decision to increase the capital, the conditions and method of subscription, and the start and end dates, taking into account the type and class of shares he owns.</p>
Article (17) Reducing capital	<p>1) The extraordinary general assembly may decide to reduce the capital if it exceeds the company's need or if the company suffers losses. In the latter case alone, the capital may be reduced below the limit stated in Article (Fifty-Nine) of the Companies Law. The reduction decision shall not be issued except after reading a statement in the General Assembly prepared by the Board of Directors about the reasons necessitating the reduction, the company's obligations, and the effect of the reduction on fulfilling them. A report from the company's auditor is attached to this statement. It may be sufficient to present the aforementioned statement to the shareholders in cases where the General Assembly resolution is passed by circulation.</p> <p>2) If the reduction of capital is a result of it exceeding the company's needs, creditors must be invited to express their objections - If any - On reduction before (Forty-five) days at least from the date specified for holding the extraordinary general assembly meeting to take the reduction decision, provided that a statement is attached to the invitation explaining the amount of capital before and after the reduction, the date of holding the meeting and the effective date of the reduction. If any of the creditors objects to the reduction and submits his documents to the company on the aforementioned date, the company must pay him his debt if it is due, or provide him with sufficient guarantee to pay it if it is due in the future. The creditor who has notified the company of his objection to the reduction and whose debt has not been paid if it is current, or provided sufficient guarantee to fulfill it if it is due in the future, may apply to the competent judicial authority before the date specified for holding the extraordinary general assembly to take the reduction decision, and the competent judicial authority in this case shall have To order the repayment of the debt, the provision of sufficient guarantee, or the postponement of the extraordinary general assembly meeting, as the case may be.</p> <p>3) The capital is reduced in one of the following ways:</p> <ol style="list-style-type: none"> <li>a. Cancel a number of shares equal to the amount required to be reduced.</li> <li>b. Reducing the nominal value of the share by canceling a part of it equivalent to the loss incurred by the company.</li> </ol>

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	<ul style="list-style-type: none"> <li>c. Reducing the nominal value of the share by returning part of it to the shareholder or by discharging him of all or part of the unpaid amount of the value of the share.</li> <li>d. D- The company purchases a number of its shares equal to the amount required to be reduced, and then cancels them.</li> </ul> <p>4) If the capital reduction is through the purchase of a number of company shares in order to cancel it, the shareholders must be invited to offer their shares for sale, by informing them of the company's desire to buy the shares by registered letters to their addresses listed in the shareholder register, or by announcing the invitation through modern technical means.</p> <p>5) If the number of shares offered for sale exceeds the number that the company decided to purchase, sales orders must be reduced in proportion to this increase.</p> <p>6) Shares are purchased according to the capital market Law.</p>
Article (18) Issuing debt instruments or financing instruments	<p>1) The company may issue - in accordance with the capital market Law - Negotiable debt instruments or Sukuk instruments.</p> <p>2) For the company to issue debt instruments or Sukuk instruments that are convertible into shares, a decision must be issued by the extraordinary general assembly stating the maximum number of shares that may be issued in exchange for those instruments or Sukuk, whether those instruments or Sukuk are issued at one time or through a series of issuances or through one or more programs to issue it. The Board of Directors shall issue - without the need for new approval from this assembly - new shares in exchange for those instruments or Sukuk, whose holders request their conversion immediately after the end of the conversion request period specified for the holders of those instruments or Sukuk, or when the conditions for their automatic conversion into shares are met or upon the expiration of the period specified for this conversion, and the Board shall take the necessary measures, to amend the company's Articles of Association with regard to the number of issued shares and capital.</p> <p>3) The Board of Directors must register the completion of the procedures for each capital increase with the commercial registry.</p> <p>4) Debt instruments or Sukuk instruments may be converted into shares in accordance with the capital market Law with the approval of the holder, whether prior approval, such as within the terms of the issue, or by subsequent agreement.</p>
Article (19) Company Management	The company is managed by a board of directors consisting of eleven members of natural character; the Ordinary General Assembly elects them for a period not exceeding four years.
Article (20) Nomination for membership in the Board of Directors	Every shareholder has the right to nominate himself or one or more other shareholders or others, for membership in the company's board of directors.
Article (21) Termination of Board membership and vacancy in the Board	<p>1) Board membership ends at the end of its term, and members whose term has expired may be re-elected.</p> <p>2) 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 demand compensation if the dismissal occurs for an unacceptable reason or at an inappropriate</p>

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	<p>time. A member of the Board of Directors may retire, provided that this is at an appropriate time. Otherwise, he will be liable to the company for any damage resulting from his retirement.</p> <p>3) If the position of a member of the Board of Directors becomes vacant due to his death or retirement this vacancy did not result in a violation of the conditions necessary for the validity of the Board's convening due to the number of its members being less than the minimum stipulated in the Companies Law or the Company's Articles of Association, the Board may appoint - temporarily - to the vacant position someone who has experience and competence, provided that this is reported to the commercial registry and also to the Capital Market Authority within (fifteen) days from the date of appointment, and that the appointment be presented to the Ordinary General Assembly at its first meeting, and the appointed member shall complete the term of his predecessor.</p> <p>4) If the necessary conditions are not met for the Board of Directors to convene due to the number of its members being less than half, the remaining members must invite the Ordinary General Assembly to convene within sixty days, to elect the necessary number of members.</p> <p>5) The General Assembly may – upon the recommendation of the Board of Directors - terminate the membership of any member who fails to attend three consecutive meetings or five separate meetings during the term of his membership without a legitimate excuse accepted by the Board of Directors.</p>
Article (22) Powers of the Board	<p>1) Taking into account the powers assigned to the General Assembly, the Board of Directors shall have the broadest powers in managing the company in order to achieve its objectives. The Board may also, within the limits of its jurisdiction, delegate one or more of its members or third parties to undertake a specific work or works.</p> <p>2) The Board of Directors may enter into loan agreements, regardless of their duration, sell or mortgage the company's assets, sell or mortgage the company's commercial premises, or discharge the company's debtors from their obligations.</p> <p>3) The Board of Directors is required to obtain the approval of the General Assembly when selling assets of the company whose value exceeds (fifty percent) of the value of its total assets, whether the sale is made through one deal or several deals. In this case, the deal that results in exceeding (fifty percent) of the value of its total assets is considered the transaction that requires the approval of the General Assembly, and this percentage is calculated from the date of the first transaction that took place during the previous (twelve) months.</p>
Article (23) Remuneration for Board Members	<p>1) The General Assembly approves a reward policy for members of the Board of Directors and its committees. The policy includes the disbursement and entitlement mechanism for each member. This reward may be a specific amount, an attendance allowance for sessions, in-kind benefits, or a specific percentage of net profits. It is also permissible to combine two or more of these benefits within the limits of what are stipulated in the Companies Law, its regulations, and the relevant regulations and instructions.</p> <p>2) The Board of Directors' report to the Ordinary General Assembly at its annual meeting, must include a comprehensive statement of all that each member of the Board of Directors received or was entitled to receive during the financial year, including bonuses, allowance for attending</p>

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	<p>sessions, allowance for expenses, and other benefits. It should also include a statement of what Board members received in their capacity as employees or manager or what they received in exchange for technical, administrative or consulting works, and it should include a statement of the number of Board sessions and the number of sessions attended by each member.</p>
<p>Article (24) Powers of the Chairperson, Vice-Chairperson, Managing Director and Secretary</p>	<ol style="list-style-type: none"> <li>1) The Board of Directors shall appoint, at its first meeting, a Chairperson and a Vice-Chairperson from among its members. It is permissible to appoint from among its members a managing director or chief executive officer. It is not permissible to combine the position of Chairperson of the Board of Directors with any executive position in the company. The Board of Directors determines the powers of the Chairperson of the Board and the Managing Director and the special remuneration that each of them receives, in addition to the remuneration prescribed for Board members.</li> <li>2) The Board of Directors appoints a secretary from among its members or others, and the Board determines his powers and his reward.</li> <li>3) The term of the Chairperson of the Board, his Vice-Chairperson, the Managing Director, and the Secretary of the Board of Directors shall not exceed the term of each of them on the Board.</li> <li>4) The Board may, at any time, dismiss them or any of them without prejudice to the right of the dismissed person to compensation if the dismissal occurred for an unlawful reason or at an inappropriate time.</li> <li>5) The Chairperson of the Board of Directors represents the company before the judiciary, arbitration bodies and third parties, and the Managing Director or CEO may represent the company, as well, any of them may authorize others to represent the company. The Chairperson of the Company's Board of Directors may delegate, by written decision, some of his powers to other members of the Board or to third parties to carry out certain work or business.</li> <li>6) The Vice Chairperson of the Board of Directors replaces the Chairperson of the Board of Directors in his absence.</li> </ol>
<p>Article (25) Board meetings</p>	<p>The Board of Directors meets at least four times a year upon invitation from his Chairperson in accordance with the conditions stipulated in this Law. In all cases, the Chairperson of the Board shall call for the meeting, whenever requested to do so by one of the members.</p>
<p>Article (26) Quorum for the Board meeting</p>	<ol style="list-style-type: none"> <li>1) The Board meeting is not valid unless attended by at least half the members in person or by proxy, provided that the number of attendees is not less than three. It is permissible to participate via telephone or modern means of technology.</li> <li>2) A member of the Board of Directors may not delegate someone else to attend the meeting on his behalf. As an exception to this, a member of the Board of Directors may represent other members on his behalf on condition that the representative member shall not have more than one delegation.</li> <li>3) The decisions of the Board of Directors are issued by a majority vote of the members present (in person or by proxy) at least, when the votes are equal, the side with which the Chairperson of the meeting voted shall prevail.</li> <li>4) Board meetings can be conducted using modern technologies, and the company's management determines the meeting method and to documents the meeting.</li> </ol>

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Article (27) Board deliberations	The deliberations of the Board and decisions are recorded in minutes of meetings prepared by the Secretary and signed by the Chairperson and the present members of the Board of Directors and the Secretary.
Article (28) Shareholder representation and the location of the General Assembly	The properly constituted General Assembly represents all shareholders, and is held in the city of Buraydah.
Article (29) Chairpersonship of assemblies and the right to attend and vote	<ol style="list-style-type: none"> <li>1) The meetings of the general assemblies of shareholders are chaired by the Chairperson of the Board of Directors or his Vice-Chairperson in his absence, or whomever the Board of Directors delegates from among its members for that purpose in the event of the absence of the Chairperson of the Board of Directors and his Vice-Chairperson. If this is not possible, the Assembly shall be chaired by whomever the shareholders appoint from among the Board members or others through voting.</li> <li>2) Every shareholder has the right to attend the general assemblies of shareholders, and in doing so he may delegate someone other than a member of the Board of Directors to attend the general assembly on his behalf.</li> <li>3) General assembly meetings of shareholders may be held and the shareholder may participate in its deliberations and vote on its decisions by means of modern technology.</li> </ol>
Article (30) Powers of the Ordinary General Assembly	<p>Except for what the Extraordinary General Assembly has jurisdiction over, the Ordinary General Assembly has jurisdiction over all matters related to the company, and in particular, the following:</p> <ol style="list-style-type: none"> <li>a. Electing members of the Board of Directors, and dismissing them.</li> <li>b. Appointing one or more auditors for the company, in accordance with what the Law requires, determining his fees, reappointing him, and dismissing him.</li> <li>c. Reviewing and discussing the Board of Directors' report.</li> <li>d. Reviewing and discussing the company's financial statements.</li> <li>e. Discussing the auditor's report - if any - and making a decision regarding it.</li> <li>f. Deciding on the Board of Directors' proposals regarding the method of distributing profits.</li> <li>g. Forming the company's reserves and determining their uses.</li> </ol> <p>The Ordinary General Assembly shall be held at least once a year during the six months following the end of the company's fiscal year, and other Ordinary Assemblies may be called whenever the need arises.</p>
Article (31) Powers of the Extraordinary General Assembly	<p>The Extraordinary General Assembly shall have the following powers:</p> <ol style="list-style-type: none"> <li>1. Amending the company's Articles of Association, except for the following: <ol style="list-style-type: none"> <li>a. Deprive the shareholder or modify any of his basic rights that he derives in his capacity as a shareholder, taking into account the nature of the rights related to the type or class of shares that the shareholder owns, especially the following:</li> </ol> </li> </ol>



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	<ol style="list-style-type: none"> <li>1. Obtaining a share of the profits to be distributed, whether the distribution is in cash or through issuing free shares to non-employees of the company and its subsidiaries.</li> <li>2. Obtaining a share of the company's net assets upon liquidation.</li> <li>3. Attending public or special shareholders' assemblies, participating in their deliberations, and voting on their decisions.</li> <li>4. Dispose of his shares, except in accordance with the provisions of the law.</li> <li>5. Requesting access to the company's records and documents, monitoring the work of the Board of Directors, filing a liability lawsuit against the Board members, and appealing the invalidity of the decisions of the public and special shareholders' assemblies.               <ol style="list-style-type: none"> <li>b. Amendments that would increase the financial burdens of shareholders, unless approved by all shareholders.</li> </ol> </li> </ol> <ol style="list-style-type: none"> <li>2. Deciding on the continuation or dissolution of the company.</li> <li>3. Approval of the company's purchase of its shares.</li> </ol> <p>In addition to the powers assigned to it under the provisions of the Law, the Extraordinary General Assembly may issue decisions on matters that originally fall within the powers of the Ordinary General Assembly, under the same terms and conditions established for the Ordinary General Assembly.</p>
Article (32) Invitation to Assemblies.	<ol style="list-style-type: none"> <li>1) General and special assemblies shall be held upon the invitation of the Board of Directors, in accordance with the conditions stipulated in the company's Articles of Association. The Board of Directors must convene the Ordinary General Assembly within (thirty) days from the date of request of the auditor or the audit committee or one or more shareholders representing (ten percent) of the shares of the company that owns at least voting rights The auditor may invite the Ordinary General Assembly to convene if the Board does not extend the invitation within (thirty) days from the date of the auditor's request.</li> <li>2) The request referred to in Paragraph (1) of this Article must state the items on which shareholders are required to vote.</li> <li>3) It is permissible, by decision of the competent authority, to call the Ordinary General Assembly to convene in the following cases:               <ol style="list-style-type: none"> <li>a. If the period specified for holding the Ordinary General Assembly stipulated in Article 30 of this law has passed; Without it being held.</li> <li>b. If it becomes clear that there are violations of the provisions of the law or the company's Articles of Association, or a defect in the company's management, including a decrease in the number of members of the Board of Directors below the minimum required for its validity to convene.</li> <li>c. If the Board does not invite the Ordinary General Assembly to convene within the period specified in Paragraph (1) of this Articles from the date of the request of the auditor or one or more shareholders representing (Ten percent) of the company's shares which have at least voting rights.</li> </ol> </li> </ol>

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	<p>d. The competent authority may take the necessary measures to hold the ordinary general assembly, and it may chair the meeting of that assembly if it is impossible to chair it in accordance with the provisions of Paragraph (1), of Article (Eighty-Four) of the Companies Law.</p>
<p>Article (33) Publication of the invitation to the General Assembly</p>	<p>The sending of an invitation to hold the assembly at least (twenty-one) days before the date specified for it in accordance with the controls specified by the regulations taking into account the following:</p> <ol style="list-style-type: none"> <li>a. Informing shareholders via registered letters to their addresses listed in the shareholders' register, or announcing the invitation through modern technological means.</li> <li>b. Send a copy of the invitation and agenda to the Commercial Registry, and a copy to the Capital Market Authority if the company is listed on the capital market on the date of announcing the invitation.</li> </ol>
<p>Article (34) Assemblies attendance record</p>	<ol style="list-style-type: none"> <li>1) At the assembly meeting, minutes are drawn up that include the number of shares held by them in person or by proxy, the number of votes assigned to them, the decisions taken, the number of votes that approved or opposed them, and a comprehensive summary of the discussions that took place at the meeting.</li> <li>2) Minutes are to be recorded on a regular basis after each meeting in a special register signed by the assembly's president, secretary, and vote collectors.</li> </ol>
<p>Article (35) Quorum for the Ordinary General Assembly meeting</p>	<ol style="list-style-type: none"> <li>1) The ordinary general assembly meeting will not be valid unless it is attended by shareholders representing at least, a quarter of the shares of those who have the right to vote.</li> <li>2) If the necessary quorum is not available to hold the Ordinary General Assembly meeting in accordance with Paragraph (1) of this Article, an invitation shall be sent for a second meeting to be held in accordance with the legal requirements. However, the second meeting may be held one hour after the end of the period specified for holding the first meeting, provided that the invitation to hold the first meeting includes an announcement of the possibility of holding this meeting. In all cases, the second meeting is valid regardless of the number of shares represented in it.</li> <li>3) The decisions of the Ordinary General Assembly are issued by a majority of the voting rights represented at the meeting.</li> </ol>
<p>Article (36) Quorum for the extraordinary general assembly meeting</p>	<ol style="list-style-type: none"> <li>1) The extraordinary general assembly meeting is not valid unless it is attended by shareholders representing at least half of the company's shares that have voting right.</li> <li>2) If the quorum necessary to hold an extraordinary general assembly meeting in accordance with Paragraph (1) of this Article is not available, an invitation will be sent for a second meeting to be held under the same conditions stipulated in Article (32) of the Bylaws. However, the second meeting may be held one hour after the end of the period specified for the first meeting, provided that the invitation to hold the first meeting includes an announcement of the possibility of holding this meeting. In all cases, the second meeting is valid if it is attended by a number of shareholders representing at least a quarter of the company's shares that have the right to vote.</li> <li>3) If the necessary quorum is not available at the second meeting, an invitation shall be sent for a third meeting to be held under the same conditions stipulated in Article (32) of this Articles of Association, and</li> </ol>

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	<p>then the third meeting shall be valid regardless of the number of shares with voting rights represented in it.</p> <p>4) The decisions of the Extraordinary General Assembly are issued with the approval of (two-thirds) of the voting rights represented at the meeting, unless the decision is related to increasing or reducing the capital, extending the term of the company, dissolving it before the expiration of the period specified in its bylaws, merging it with another company, or dividing it into two or more companies. It will not be valid unless it is issued with the approval of (three-quarters) of the voting rights represented at the meeting.</p> <p>5) The Board of Directors must register with the Commercial Register the decisions of the Extraordinary General Assembly determined by the regulations within (fifteen) days from the date of their issuance.</p>
Article (37) Voting in Assemblies	<p>1) Votes in ordinary and extraordinary general assemblies are calculated based on one vote per share. The company applies Cumulative voting method in electing the Board of Directors. The right to vote per share may not be used more than once.</p> <p>2) Members of the Board of Directors may not participate in voting on the Assembly's decisions that relate to businesses and contracts in which they have a direct or indirect interest or that involve a conflict of interest.</p>
Article (38) Associations of preferred stockholders	<p>1) Special assemblies of preferred stockholders shall be held in accordance with the provisions of Articles Ninety, Ninety-First and Ninety-second of the Companies Law.</p> <p>2) The meeting of the general assembly of holders of preferred shares of a certain category shall not be valid unless it is attended by shareholders representing half of the number of preferred shares of the same category.</p> <p>3) If the quorum required holding the special assembly in accordance with the previous paragraph is not available, an invitation shall be sent for a second meeting to be held in the same conditions stipulated in Article Ninety-One of the Companies Law. However, the second meeting may be held one hour after the end of the period specified for holding the first meeting, provided that the invitation to hold the first meeting includes an announcement of the possibility of holding this meeting. In all cases, the second meeting will be valid if it is attended by a number of holders of preferred shares representing a quarter of the number of preferred shares of the same category.</p> <p>4) If the necessary quorum is not available in the second meeting, an invitation will be sent for a third meeting to be held in the same conditions stipulated in Article 91 of the Companies Law. The third meeting shall be valid regardless of the number of preferred shares represented in it of the same category, after the approval of the competent authority.</p> <p>5) The Assembly's decisions regarding holders of preferred shares shall be issued by a two-thirds majority of preferred shares of the same category represented at the meeting.</p>
Article (39) Discussion in Assemblies	<p>Every shareholder has the right to discuss the topics included in the General Assembly's agenda and direct questions regarding them to the members of the Board of Directors and the auditor.</p> <p>The Board of Directors or the auditor answers shareholders' questions to the extent that does not expose the company's interest to harm. If one of the shareholders sees that the answer to his question is insufficient, he may appeal to the General Assembly, and its decision in this regard is effective.</p>

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Article 40: Preparing minutes of general assemblies	At the assembly meeting, minutes shall be drawn up that include the number of shareholders present, in person or by proxy, the number of shares in their possession, in person or by proxy, the number of votes assigned to them, the decisions taken, the number of votes that approved or opposed them, and a comprehensive summary of the discussions that took place at the meeting. Minutes are to be recorded on a regular basis after each meeting in a special register signed by the assembly's Chairperson and secretary and collectors of Votes.
Article (41) Appointment of the Auditor	The company shall have one (or more) auditors licensed in the Kingdom who shall be appointed by the General Assembly. His fees, duration of work, and scope shall be determined by the General Assembly, and he may be reappointed. The Companies Law and the Executive Regulations of the Companies Law for Listed Joint Stock Companies issued by the Capital Market Authority specify the maximum period for the work of the individual auditor or the company and its partner supervising the audit.
Article (42) Powers of the Auditor	For the auditor - At any time –to review the company's documents, accounting records, and supporting documents, and he may request the data and clarifications that he deems necessary to obtain, in order to verify the company's assets and obligations, and other matters that fall within the scope of his work. The Board of Directors must enable him to perform his duty. If the auditor encounters difficulty in this regard, he shall state this 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 them to invite the General Assembly to convene to consider the matter. The auditor may send this invitation, if the Board of Directors does not send it within (thirty) days from the date of the auditor's request.
Article (43) Auditor's Report	The auditor must submit a report to the General Assembly at its annual meeting On the company's financial statements ,that prepared in accordance with the auditing standards approved in the Kingdom, the report includes 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 company's articles of incorporation or Articles of Association that have become apparent to him within the limits of his jurisdiction, and his opinion on the fairness of the company's financial statements. The auditor must read out his report or present a summary thereof at the annual general meeting.
Article (44) Confidentiality of information with the auditor	<ol style="list-style-type: none"> <li>1) The auditor is not permitted to disclose to partners or shareholders other than the General Assembly or to third parties any company secrets he has learned because of carrying out his work, otherwise he may be asked for compensation in addition to the right to dismiss him.</li> <li>2) The auditor is responsible for what is stated in his report, and for any damage that befalls the company, partners, shareholders, or others due to errors he commits in performing his work. If the company has more than one auditor, they are jointly liable, except for those among them who are proven not to have participated in the error giving rise to liability.</li> </ol>
Article (45) Fiscal Year	The company's fiscal year begins on January 1 and ends on 31 December of every calendar year, provided that the first fiscal year is from the date of issuance of the Ministry's decision announcing the establishment of the company until the end of December of the following year.
Article (46) Financial documents	<ol style="list-style-type: none"> <li>1) At the end of each fiscal year of the company, the Board of Directors shall prepare the company's financial statements and a report on its activity and financial position for the past fiscal year. This report shall include the</li> </ol>

Paragraph	Text
	<p>proposed method for distributing profits. The Board shall place these documents at the disposal of the Auditor of Public Accounts for at least forty-five days.</p> <ol style="list-style-type: none"> <li>2) The Chairperson of the Company's Board of Directors, its CEO and its Financial Director must sign the aforementioned documents, and copies thereof shall be deposited at the company's main office at the disposal of the shareholders at least twenty-one days before the date set for the General Assembly to be held.</li> <li>3) The Chairperson of the Board of Directors shall provide shareholders with the company's financial statements, the Board of Directors' report after signing them, and the auditor's report, unless published in any modern technological means, at least twenty-one days before the date of the General Assembly. He must also deposit these documents in accordance with what is specified in the regulations of the companies' Law.</li> <li>4) The classification of the financial statements for each fiscal year takes into account the classification followed in previous years, and the principles of valuing assets and liabilities remain constant, without prejudice to the accounting standards adopted in the Kingdom of Saudi Arabia.</li> <li>5) The Board of Directors, in accordance with the legal requirements, after obtaining the General Assembly's approval of the financial statements, the Board of Directors' report, the auditor's report, and the audit committee's report, shall deposit copies of the aforementioned documents with the Ministry of Commerce, as well as with the capital market.</li> </ol>
<p>Article (47) Distribution of profits</p>	<ol style="list-style-type: none"> <li>1) The Ordinary General Assembly - when determining the share of shares in net profits - may decide to form reserves, to the extent that serves the interest of the company or ensures the distribution of fixed profits - as much as possible - to shareholders. The aforementioned Assembly may also deduct amounts from the net profits to achieve social purposes for the company's employees.</li> <li>2) The General Assembly determines the percentage that must be distributed to shareholders from the net profits after deducting reserves, if any.</li> <li>3) The company may distribute interim dividends semi-annually or quarterly by decision of the Board of Directors based on a mandate from the Ordinary General Assembly, which is renewed annually in accordance with the regulatory procedures issued by the Capital Market Authority.</li> <li>4) The Ordinary General Assembly may use retained earnings and available reserves For distribution to pay the remaining amount of the value of the share or part thereof, provided that this does not prejudice the fairness between the shareholders in accordance with the provisions of the Law.</li> </ol>
<p>Article (48) Entitlement to Dividends</p>	<p>The shareholder is entitled to his share of the profits in accordance with the General Assembly's decision issued in this regard. The decision indicates the due date and the date of distribution. The company may distribute interim dividends to its shareholders on a semi-annual or quarterly basis. The entitlement to dividends is to the shareholders registered in the shareholders' registers at the end of the day specified for entitlement. The regulations determine the maximum period during which the Board of Directors must implement the General Assembly's decision regarding the distribution of profits to shareholders.</p>

Paragraph	Text
Article (49) Liability claim	Every shareholder has the right to file a liability lawsuit against the members of the Board of Directors if the error committed by them causes special harm to him. The shareholder may not file the aforementioned lawsuit unless the company's right to file it still exists. The shareholder must inform the company of his intention to file a lawsuit, while limiting his right to claiming compensation for the special damage he suffered.
Article (50) The legal personality of the company	If all of the company's shares devolve to one person, this person will have the powers and authorities of the shareholders' assemblies stipulated in this law, and his decisions will be issued in writing, without the need to invite the general assembly. These decisions are to be recorded in the special register stipulated in Article (ninety-seven) of the Companies Law.
Article (51) Company losses	If the company's losses amount to half of the issued capital, the Board of Directors must disclose that and the recommendations it has reached regarding those losses within (sixty) days from the date the Board of Directors learns that they have reached this amount, and invite the extraordinary general assembly to convene within (one hundred and eighty) days from the date of knowledge of this, in order to consider the continuation of the company while taking any necessary measures to address or resolve those losses.
Article (52) Expiration of the company term	Upon the expiration of the company's term or if it is dissolved before its specified term, the ordinary general assembly decides, based on the proposal of the Board of Directors, the method of liquidation and appoints one or more liquidators and determines their powers and fees. The authority of the Board of Directors ends with the dissolution of the company. However, the Board continues to manage the company until the liquidator is appointed, and the other organs of the company retain their powers to the extent that they do not conflict with the powers of the liquidators.
Article (53)	The Companies Law and its regulations shall apply in everything not stipulated in this Law.
Article (54)	This Law shall be filed and published in accordance with the companies Law.