



الشركة السعودية للطباعة والتغليف
Saudi Printing & Packaging Co

شركة مساهمة - رأس المال 600 مليون ريال سعودي - س.ر.ت 1010219709 - عضوية رقم 17517

ARTICLES OF ASSOCIATION

Saudi Printing & Packaging Company (Saudi Joint Stock – Listed Company)

CHAPTER (I)

Establishment of the Company

Article (1): Establishment

The Company has been established according to the provisions of the Companies' Law and its regulations and this Articles of ASSOCIATION – as a Saudi Joint Stock Company in accordance with the following:

Article (2): Company name:

Saudi printing & packaging Co (A Joint Stock – Listed Company).

Article (3): The Purpose of the Company:

The company shall carry out the following purposes:

1. Carry out printing and packaging works.
2. Management, operation and maintenance of printing and packaging projects.
3. Establishing factories and facilities for printing and packaging.
4. Wholesale and retail trade in materials, machines, printing machines and tools, inks and paper of all kinds, and the raw materials needed for them. As well as in tools, equipment, books, publications, supplies, office materials, and advertising materials.
5. Publishing, printing and distributing books, newspapers, magazines, bulletins, periodicals, scientific, educational, cultural, commercial and sports materials in all fields of knowledge locally and internationally in all languages.
6. Producing and distributing intellectual, scientific and media works locally and internationally.
7. Advertising locally and internationally.
8. Commercial agencies for the purposes of the company after being registered in the Commercial Agencies Register.
9. Establishing and contributing to publishing-related projects and establishing publishing-related companies.



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10. Establishing, managing, and building packaging projects of all kinds, paper, cardboard, plastic, metal, medical, and others.

11. Carrying out packaging and manufacturing plastic products, which include plastic bottles and their fittings, plastic bags, aluminum foil rolls, plastic packages and paper tapes, and the production of commercial labels, printed carton packages, plastic packaging coated with aluminum, printed covers from aluminum foil, polyethylene rolls for packaging, polypropylene rolls for packaging, and polystyrene rolls for packaging.

12. Owning, selling, buying, and leasing movable and immovable assets with the intent of achieving the company's purposes, including buying lands to construct buildings on them, and investing these buildings by selling and leasing for the company or for printing and packaging projects.

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): Sharing and possession in the companies:

The Company may, alone, establish limited liability companies or closed joint stock companies as per the Companies Law. Moreover, the Company may own stocks and shares in other existing companies and it may merge with them. Also, the Company shall have the right to share with other parties in the establishment of joint stock companies or limited liability companies after fulfilling all the requirements of the laws and instructions followed in this regard. In addition, the Company may dispose of these stocks and shares, provided that such disposition shall not include brokerage in dealing with these stocks and shares.

Article (5): Head Office of the Company:

The head office of the Company shall be located in Riyadh city in the Kingdom of Saudi Arabia and the Company may establish branches, offices or agencies for it inside or outside the Kingdom of Saudi Arabia by a decision from the Board of Directors.

Article (6): Company term:

The duration of the company reaches ninety (99) Hijri years starting from the date of the issuance of the Minister of Commerce's decision on commercial occasions and the announcement of the company. It is permissible to extend the term of the company



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The company's term may always be extended by a decision issued by the extraordinary general assembly at least one year before the expiry of its term.

CHAPTER (II)

Capital and stocks

Article (7): Capital:

The Company's capital has been determined in the amount of (600,000,000) six hundred million Saudi Riyals divided into (60,000,000) sixty million stocks with equal value and the value of each stock is (10) ten Saudi Riyals and all of them are cash common stocks.

Article (8): Subscription in the stocks:

Shareholders have subscribed to all the company's shares and paid in full.

Article (9): Preferred stocks:

The Extraordinary General Assembly may, according to the rules set by the competent body, issue preferred stocks or may decide to buy such preferred stocks or transfer common stocks to preferred stocks, or transfer the preferred stocks to common stock with a ratio not exceeding 50% of the capital. However, the preferred stocks shall not give the right to vote in the General Assembly Meetings of the Stockholders and these stocks shall give its holders the right to obtain a ratio of the net profits of the Company higher than the ratio of the holders of the common stocks after setting aside the statutory reserve.

Article (10): Tools of the debt and financing instruments:

1. The Company shall be entitled, in accordance with the law of the Stock Market and Companies Law, to issue tools of debt or assignable financing instruments under decision from the Extraordinary General Assembly, in which the Extraordinary General Assembly specifies the maximum number of the stocks that may be issued against these tools and instruments, whether such instruments or tools are issued at the same time, through a series of issues or through one program for issuing the tools of debt or financing instruments or more. The Board of Directors shall be entitled- without the need for a new approval from this Assembly - to issue new stocks against these tools and instruments, whose holders request transfer of them,



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immediately after expiration period of the request for the transfer specified for holders of these tools and instruments, and the Board of Directors shall take the statutory procedures with respect to increasing the capital.

2. The Company shall take into consideration the Sharia provisions of the debts upon issuance and assignment of the tools of debt.

Article (11): Sale of non-full-paid stocks:

The stockholder shall undertake to pay the value of the stock in the dates specified for this matter. If the stockholder fails to fulfill the value of the stock on the due date, the Board of Directors may, after notifying such stockholder through announcement in the daily newspaper or by informing him under a registered letter, sell the stocks in public auction or in the stock market as the case may be, in accordance with the controls determined by the competent body.

The Company shall receive its due amounts from the proceeds of the sale and it shall return the remaining to the stockholder, and unless such proceeds of sale are not enough to fulfill these amounts, the company may obtain the rest from the funds of the stockholder. However, the stockholder, who fails to pay until the day of sale, may pay the value owed by him, plus the expenses spent by the Company in this regard.

The Company shall cancel the sold stock in accordance with the provisions of this article, and it shall give the buyer new stock with the same number of the cancelled stock and the Company shall endorse in the record of stocks for occurrence of the sale and mention the name of the new holder.

Article (12): Issuing stock:

The stocks are par stocks and they may not be issued with value less than their par value, but they may be issued with a value higher than this value. In this later case, the difference of the value shall be added in separate item within the rights of the stockholders, and it may not distributed to the stockholders as profits, and the stock is indivisible towards the company, and if the stock is owned by multiple persons, they must select one of them to represent them in use of the rights related to this stock and these persons are jointly responsibly for the obligation arising from possession of the stock.



Article (13): Stock ledger and assignment of the stocks

The assignment of company's stocks shall be made in accordance with provisions of Stock Market Law.

Article (14): Company's purchase, sale and mortgage of its stocks

1. The Company may buy or mortgage its common stocks or preferred stocks in accordance with the controls and procedures of the competent body, and the stocks bought by the Company shall have votes in assemblies of stockholders.
2. The Company may buy its stocks and allocate them for employees of the Company within stock program of the employees in accordance with controls and procedures of the competent body.
3. The Company may sell the treasury stock in one stage or many stages in accordance with controls and procedures of the competent body.
4. The Company may mortgage its stocks as guarantee for the debt in accordance with controls and procedures of the competent body.

Article (15): Increase of the capital

1. The Extraordinary General Assembly shall have the right to decide to increase the company capital, provided that the capital has been paid in full, and it is not necessary that the capital has been paid in full, if the unpaid part of the capital is ascribable to stocks that are issued against transfer of tools of debt or financing instruments to stocks and this prescribed period for transfer of them to stocks does not exceed.
2. In all cases, the Extraordinary General Assembly shall be entitled to allocate the issued stocks or part or some thereof for employees of the Company and its affiliates upon increase of the capital, and the stockholders may not practice the priority right, when the Company issues the stocks allocated for the employees.
3. At the time of issuing the decision of the Extraordinary General Assembly for approval of increase of the capital, the stockholder, who owns stock, has the priority in subscription in the new stocks that are issued against cash shares, and those are notified of their priority through the publishing in daily newspaper or by notifying them through Stock Market website (Tadawul) under decision of increase of



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شركة مساهمة - رأس المال 600 مليون ريال سعودي - س.ت 1010219709 - عضوية رقم 17517

the capital, conditions, period, date, beginning and termination of the subscription.

4. The Extraordinary General Assembly shall have the right to cease enforceability of priority right of the employees to subscribe to increase the capital against cash shares or giving the priority for persons other than the stockholders in the cases that the Extraordinary General Assembly deems appropriate for interest of the Company.
5. The stockholder shall have the right to sell or assign the priority right during the period from date of issue of decision of General Assembly for approval of increase of the capital to last day of subscription in the new stocks associated with these rights, in accordance with controls and procedures of the competent body.
6. Subject to the provisions contained in paragraph (4) above, the new stocks shall be distributed to holders of priority rights, who requests the subscription with ratio of the priority rights that they own out of total priority rights resulting from the capital, provided that what they obtain shall not exceed what they request from the new stocks, and the rest of the new stocks shall be distributed to holders of priority rights, who request more than their share with ratio of priority rights that they own out of total priority rights resulting from the capital, provided that what they obtain shall not exceed what they request from the new stocks, and rest from the stocks shall be offered to external parties, unless the Extraordinary General Assembly decide otherwise or otherwise is stipulated in Stock Market Law.

Article (16): Reduction of the capital:

The Extraordinary General Assembly shall be entitled to decide to reduce the capital, if the capital increases over need of the Company or if the Company incur losses, and in the later case only, the capital may be reduced to below the limit stipulated in Article 54 of Companies Law, and decision of reduction shall be issued, only after reading special report prepared by an auditors about the reasons that necessitate this reduction, the obligations and liabilities owed by the company and effect of the reduction on these obligations and the decision shall set out method of reduction.

If reduction of the capital is made as result of increase over need of the Company, the call shall be addressed to the creditors in order to express their objections to it, during sixty days from date of publishing decision of reduction in daily news paper distributed in the area, in



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شركة مساهمة - رأس المال 600 مليون ريال سعودي - س.ت 1010219709 - عضوية رقم 17517

which head office of the Company is located, and if one of the creditors objects and submits for the Company his documents in the mentioned date, the Company must pay his debt for him, if the debt is urgent or the Company must enough guarantee for fulfillment of this debt if it is deferred debt.

CHAPTER (II) **Board of Directors**

Article (17): Company management:

The company shall be managed by a Board of Director composed of (9) members elected by the Ordinary General Assembly of stockholders for a period not exceeding three calendar year and the directors may be re-elected.

Article (18): Expiration of Board membership:

The Membership of the Board shall end, when the validity of the director for this membership expires in accordance with any law or instructions applicable in the Kingdom of Saudi Arabia. However, the Ordinary General Assembly may, at any time, remove all or some members of the Board of Directors, without prejudice to the right of the removed director toward the Company to demand the Compensation if such removal occurs for unaccepted reason or in inappropriate time and the director may retire, provided that such retirement took place in the appropriate time. Otherwise, the director shall be held responsible for the damages arising from such retirement.

Article (19): Vacant Position in the Board of Directors:

1. If the position of one of the directors is vacant, the Board of Directors shall be entitled to appoint temporary a director in the vacant position, provided that such temporary appointment must be notified to the Ministry of Commerce and Investment and Capital Market Authority within five business days from the date of such appointment and provided also that such appointment shall be presented to the first meeting subsequent to the Ordinary General Assembly and the new director shall complete the term of the former director.
2. Unless the conditions necessary for holding the Board of Directors are met, and if the number of the directors is less than the limit number stipulated in Companies Law or in this Articles



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of ASSOCIATION, the rest of the directors must call for holding the Ordinary General Assembly within sixty days in order to elect the necessary number of directors.

Article (20): Capacities of the Board of Directors:

Subject to the competences prescribed for the General Assemblies, the Board of Directors shall have the broadest authorities and powers in the management of the company in order to achieve its purposes, and in this regard, the Board of Directors shall have the right to make the policies of the Company, to determine its investments, to supervise its businesses and funds and to manage its affairs inside and outside the Kingdom. Moreover, the Board of Directors shall be entitled to represent the Company in its relationships with the other entities, governmental bodies, all private bodies and authorities, companies and institution with their different types. In addition, the Board of Directors shall have the right to sign all types of the contracts, papers and documents, including but not limited to the articles of ASSOCIATION and by-laws of the companies, in which the Company has a share, in addition to all its amendments and appendices, decisions of amendment, decisions of partners, including increase and reduction of the capital, sale, purchase and assignment of the shares and stocks, entry in the government and private tenders, signing the agreements and instruments before the Notary Public and official bodies, issue of the legal power of attorney on behalf of the Company, selling, buying, evacuation, accepting evacuation, payment of the price, mortgage, releasing and accepting mortgage of the lands, properties, stocks and assets of the companies, including movable property and facilities of the Company, merger of instruments, stock split, sorting, receipt of instruments, updating the instruments and entry of them in the comprehensive system, assignment of shortage in area, delivery, receipt, rent, hire, signing, renewal, cancellation and avoidance of lease contracts, receiving, payment and selling and buying the stocks and shares in the companies, in which the company has sharing, buying the stocks and shares in the other companies and attending the partners' assemblies and general assemblies therein and voting on their decisions, registration of the objections and reservation and conducting everything for the companies, in which the company invests or has shares, including the amendment, merger, liquidation, purchase, sale, assignment and appointment and removal of managers and employees and determination of their wages and rewards. Moreover, the Board of Directors shall be entitled to open the accounts and credits, withdrawal and deposit at the banks, authorization of third party therein, approval of electronic withdrawal and deposit at



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شركة مساهمة - رأس المال 600 مليون ريال سعودي - س.ت 1010219709 - عضوية رقم 17517

the banks and authorization of third party therein, issue of bank guarantees, signing all the papers, documents, checks, agreements of loans, guarantees, bails and all the banks transactions, including the promissory note, opening and closing investment portfolios, transfer between the investment portfolios, selling and buying the stocks and securities. Furthermore, the Board of Directors shall be entitled to appoint and remove the employees and workers, to apply for the visas, to recruit the labor from outside the Kingdom, to contract with and to determine their wages and rewards, to extract the residency and to transfer and assign the sponsorships. In addition, the Board of Director shall be entitled to conclude the loans whatever their values from funds, institutions and authorities of government financing regardless of the value and term of the loans, provided that terms of these loans don't exceed the end of Company term. The Board of Directors shall be entitled, also, to conclude the loans whatever their type with the commercial banks and financial institutions, financing authorities and credit companies whatever type, value, and term of these loans, provided that terms of these loans shall not exceed the end of the term of the company, and it shall be entitled also to provide the guarantees whatever their type regarding the above-mentioned cases.

The Board of Directors may hold the debtors of the Company harmless against their obligations in accordance at its discretion, including disutility of claim for these obligations, or if cost of the claim is higher than collection of the obligation and the other cases in accordance with requirements of interest of the Company.

In addition, the Board of Directors shall be entitled to provide the financial support in the way and value specified by the Board of Directors for any of the affiliates or associate companies as well as the companies, in which the Company has shares, and the Board of Directors shall be, also, entitled to provide the guarantees for the loans and credit facilities with their different types that any of the affiliates, associate companies obtain or the companies, in which the company has shares, obtain as per ratio of ownership of the Company therein.

The Board of Directors shall be also entitled from time to time and within the limits of its powers, and competences, to authorize or empower one of its directors or more or other persons to assume a work, certain works, procedure or certain action and it shall be entitled to cancel this authorization.



الشركة السعودية للطباعة والتغليف
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Article (21): Reward of the directors:

The remuneration of the Board of Directors consists of the percentage stipulated in Paragraph (5) of Article (46) of this Bylaw and within the limits stipulated in the Companies Law and its Bylaws. The Board of Directors' report to the Ordinary General Assembly must include a comprehensive statement of all that the Board members have obtained. During the financial year, bonuses, expense allowances and other benefits, and it should also include a statement of what the board members received in their capacity as workers, administrators or consultants, or what they received in return for technical, administrative or advisory work, and also include a statement of the number of board sessions and the number of sessions attended Each member from the date of the last meeting of the General Assembly.

Article (22): Capacities of the chairman, vice-chairman, managing director and secretary of the Board of Directors:

The Board of Directors shall appoint from among its directors a chairman, a vice-chairman. It may also appoint a managing director. However, holding the position of the chairman and any executive position in the Company may not be combined, and the vice-chairman shall replace the chairman of the board of directors in case of his absence.

The chairman is the competent authority in representing the Company inside and outside the Kingdom of Saudi Arabia before the special and general courts, judicial authorities, the Board of Grievances, labor offices, labor authorities and committees, all other judicial authorities and committee and arbitration boards and arbitration committees. The chairman shall have the right to claim, to file the lawsuits, to plead, to defend, and he has the right to hear the lawsuits and to reply to them, to deny, to reconcile, to waive and to release. In addition, the chairman shall have the right to request for taking an oath, to reply and to refrain from it, and he also shall have the right to bring the witnesses and evidences along with the right to challenge, to reply, to object, to amend, to allege forgery, to deny handwritings, seals and signatures. Moreover, the chairman shall have the right to request for preventing from travel, to submit this request, to attach and to execute. Besides, he shall have the right to request the arbitration, to appoint the experts and arbitrators, to challenge against reports of the experts and arbitrators, and to remove and replace them. In addition, the chairman shall have the right to request for application of Sharia pleadings, to claim for exaction, acceptance, denial and objection to the judgments,



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شركة مساهمة - رأس المال 600 مليون ريال سعودي - س.ت 1010219709 - عضوية رقم 17517

and he has the right to require reconsideration, to request for exoneration, to request for pre-emption and to attend the hearing in all the lawsuits at all the courts. The chairman also shall have the right to receive the amounts under checks in the name of the Company, to receive instruments of judgments, to request for judge recusal, to request for entry and intervention at all the Sharia and administrative courts (The Board of Grievances), medical and Sharia committees, labor authorities, committees of financial and bank disputes, office and authorities of adjudication of disputes of the securities, commercial papers and bank papers, committees of commercial fraud, all other judicial committees, Control and Investigation Board and the Bureau of Investigation and Public Prosecution.

Furthermore, the chairman shall be the competent authority in representing the Company inside and outside the Kingdom of Saudi Arabia in relationship with the Company and other entities, governmental and private bodies, companies and institutions in their different types. Also, the chairman shall have the right to rent, to hire, to sign lease contracts, to renew them, to receive the rent, to receive, to deliver and to refer to all the relevant bodies, and he has the right to complete the necessary procedures and to sign for all the equipments of foregoing.

The chairman also shall have the right to sign the contracts, documents and papers related to the articles of ASSOCIATION and by-laws of companies, in which the Company participate or has shares, and he has the right to sign decisions of the partners and appendices of amendment at Notary Public Office, including selling and buying the stocks, shares, assignment, increase and reduction of the capital, appointment and removal of the managers, employees and workers and determination of their salaries and wages in the Company or in the companies, in which the Company has shares. Moreover, the chairman has the right to amend the management clause and entry of exit of partners, and he has the right to enter in existing companies, to establish new companies, to sell and buy the shares and stocks, to pay and receive the price, to subscribe in the new joint stock and closed companies, to sell the shares and stocks, and to receive the value and profits. In addition, the chairman has the right to assign the shares and stocks through the sale in the companies, in which the Company participates or has shares, and he has the right to transfer the shares, stocks instruments and bonds and the right to amend purposes of the Company, to amend clauses of articles of ASSOCIATION, appendices of amendment, to transfer the companies to closed joint stock companies or public companies and to publish memorandum of



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شركة مساهمة - رأس المال 600 مليون ريال سعودي - س.ت 1010219709 - عضوية رقم 17517

ASSOCIATION, appendices of amendment and summaries of them and articles of ASSOCIATION in accordance with the laws. Furthermore, the chairman has the right to register the companies, agencies and trademarks and the right to assign the trademarks and to attend the ordinary and the extraordinary general assemblies and assemblies of the partners for the affiliates and companies, in which the company has shares or stocks, and he has the right to vote on the decisions, to register the objections and reservation, to open files of the companies, to open, close and renew branches of the Company and to approve the signatures therein. The chairman also has the right to extract and renew the commercial registers, to subscribe and to renew subscription in chambers of commerce and trade and to approve the signatures therein, to refer to Department of Quality and Awareness and Saudi Standards, Metrology and Quality Org. and he has the right to extract and renew licenses of the Company, to represent the Company at Saudi Arabian General Investment Authority and to refer to it and to sign the documents necessary thereof. Moreover, the chairman has the right to represent the company at Capital Market Authority and to sign the documents necessary thereof, to enter in the tenders, to receive the forms and to sign the entire contracts specific to the Company with the other entities.

Furthermore, the chairman shall be entitled to open and close the accounts in the name of the Company, to authorize others, to open the credits, to withdraw and deposit at the banks, to issue the bank guarantees, to sign all the papers, documents, checks and all the bank transactions, including opening and closing the investment portfolios, transfer of the stocks between the portfolios, opening electronic accounts and dealing therein through withdrawal and deposit, authorization of the others, selling and buying the stocks, recruitment, extraction of residencies, transfer of sponsorships and assignment of them, and he shall be entitled to appoint the attorneys, advocates and consultants for the Company, to issue the legal power of attorney on behalf of the Company. The chairman also shall be entitled to authorize, empower or remove one director or more, managing director, in the case of appointment of him, chief executive officer or the other persons, for capacities or for taking procedure or certain action or for management of work or certain works and he has the right to cancel the power of attorney or authorization.

The managing director shall be competent in all managerial works necessary for executing the decisions of the Board of Directors and the General Assembly of Stockholders along with the other capacities specified and authorized for him by the Board of Directors.



The Board of Directors shall specify, at its own discretion and under a decision issued by him, the special reward that each of the chairman and the managing director shall get in addition to the rewards prescribed for the directors under these articles of ASSOCIATION and within the limits stipulated in the Companies Law, its rules and regulations.

The Board of Directors shall appoint the secretary of the Board, where the Board of Directors shall select him from among the directors or other person, and this secretary is competent in the registry of minutes of the Board of Directors' meetings and writing down and keeping the decisions issued from this meetings, along with practicing all other competences authorized to him by the Board of Directors. The chairman or managing director and the Board of Directors shall specify the rewards of the secretary.

The duration of the membership of the chairman, managing director and secretary, if the member is among the Board of Directors, shall not exceed the membership of each one of them in the Board, and they may be re-elected. In the meantime, the Board of directors shall be entitled, at any time, to remove them or any one of them, without prejudice to the right of the removed person to obtain the compensation thereof if such removal was made for an illegal reason or in inappropriate time.

Article (23): Meetings of the Board of Directors:

The Board of Directors shall meet at least two times a year, through a call from the chairman. Such call shall be made in writing or via mail, fax or email to the address affirmed at the Company, and the chairman must call for holding the meeting, when two directors request him to hold this meeting.

Article (24): Quorum of the Board of Directors' meetings:

The Meeting of the Board of Directors shall not be valid, unless it is attended by at least half of the directors, provided that the number shall not be less than (6) directors, and the director may delegate on behalf of him one of the other directors in attending the meetings of the Board according subject to the following controls:

1. The director may not delegate more than one director to attend this meeting to act on his behalf.



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2. The delegation shall be established for certain meeting.
3. The delegated director may not vote on the decisions, that the Articles of ASSOCIATION prohibits the authorizer to vote thereon.

The decisions of the Board of Directors shall be issued with the approval of the majority members of the present directors by themselves and for the directors that they represent by delegation. When the opinions are equal, the side, with which the chairman votes, or the member who chairs the meeting in case of his absence, shall outweighed.

The Board of Directors shall be entitled to issue decisions by passing them and presenting them to all the directors separately, unless one of the directors request - in writing - holding the meeting of the Board of Directors to deliberate these decisions. Besides, these decisions shall be presented to the Board of Directors in the first next meeting to be held.

4. By a decision from the Board of Directors, it may hold its meetings by the joint phone, visual video or any other latest technological mean that allow the directors of the Company to participate in the meeting. Through these above-mentioned means, the directors can hear each other clearly. In addition, any member who fails to attend due to an acceptable excuse given to the chairman, may participate in the meeting in the same way, provided that such participation shall be as stated in this paragraph as an attendance at the meeting in terms of the quorum and voting.

Article (25): Deliberations of the Board of Directors:

The deliberations and decisions of the Board of Directors shall be proven in minutes signed by the chairman and present directors for themselves and on behalf of the directors they represent and the secretary. These minutes shall be written down in special record duly signed by the chairman and the secretary.

Article (26): Committees of the Board of Directors:

The Board of Directors may form an executive committee from among its directors or other persons and the decisions shall specify the head



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شركة مساهمة - رأس المال 600 مليون ريال سعودي - س.ت 1010219709 - عضوية رقم 17517

of the committee, and the Board of Directors specifies missions of the committee and controls of its work and competence.

The Board of Directors may also form other committees emergent from it, whether from the directors or other members in accordance with the need, conditions and situation of the Company, so that these committees help the Board of Directors to perform its functions and to manage its affairs in accordance with the general procedures set by the Board of Directors, where such general procedures specify the functions and controls of committees' work and rewards of its members under a decision issued by the Board of Directors or under special regulation for each committee approved by the Board of Directors, provided that the committee concerned to specific missions are from among them in accordance with the relevant rules and regulations issued by the competent body.

CHAPTER (IV) **Assemblies of stockholders**

Article (27): Attendance of the assemblies:

Each stockholder shall have the right attend the General Assembly of Stockholders, and for this purpose, the stockholder shall be entitled to authorize another person other than the directors or employees of the Company to attend the General Assembly.

Article (28): Competences of the Ordinary General Assembly:

Except for the matters, where the Extraordinary General Assembly is competent, the Ordinary General Assembly shall be the competent authority and concerned party with the matters related to the Company. Furthermore, the Ordinary General Assembly shall be held at least one time a year within the six months following the end of the fiscal year of the Company, and another General Assembly may be called for, whenever need arises.

Article (29): Competence of the Extraordinary General Assembly:

The Extraordinary General Assembly shall be the competent authority to amend the Articles of ASSOCIATION of the Company, except for the matters that the Extraordinary General Assembly is prohibited to amend legally. The Extraordinary General Assembly may issue decisions in the matters that are originally within competences of the



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Saudi Printing & Packaging Co

شركة مساهمة - رأس المال 600 مليون ريال سعودي - س.ت 1010219709 - عضوية رقم 17517

Ordinary General Assembly with the conditions and stipulations prescribed for the Ordinary General Assembly.

Article (30): Calling for assemblies:

The general or special assembly of stockholders shall be held under a call from the chairman in accordance with these Articles of ASSOCIATION, and the Board of Directors shall call for holding the Ordinary General Assembly, if the auditor, Audit Committee or number of the stockholders representing at least (5%) of the capital request holding the Ordinary General Assembly. Besides, the auditor may call for holding the assembly, unless the Board of Directors calls for holding the assembly during thirty days from date of request of the auditor.

The call for holding the General Assembly shall be published in the daily newspaper distributed in the area, where the head office of the Company is located before at least ten days from the specified date. The call shall include the agenda, however, it may be sufficient to send the call in the mentioned date through Stock Market website (Tadawul) along with a copy of the call and the agenda to **the** Ministry of Commerce and Investment and Capital Market Authority during the period specified for the publishing.

Article (31): Attendance record of the assemblies:

The stockholders or their representatives, who desire to attend the general or special assembly, shall register their names in the place of holding the assembly before the time specified for holding it in accordance with what the company specifies in the announcement made for the call to hold the assembly.

When holding the assembly, a statement of the names of present stockholders and representatives and number of their personal ID shall be executed as well as the number of stocks in their own names or by delegation along with the number of allocated shares for them shall be indicated in this statement.

Article (32): Quorum of the meeting of the Ordinary General Assembly:

Holding the meeting of the Ordinary General Assembly shall not be valid, unless this meeting is attended by stockholders representing at least one quarter of the capital and unless this quorum needed for



الشركة السعودية للطباعة والتغليف
Saudi Printing & Packaging Co

شركة مساهمة - رأس المال 600 مليون ريال سعودي - س.ت 1010219709 - عضوية رقم 17517

holding the meeting is available. The second meeting shall be held after one hour from the period specified for holding the first meeting, provided that the call for holding the first meeting shall include a notification for the possibility of holding this meeting. However, unless the first call includes the possibility of holding the second meeting, the call for holding the second meeting within thirty days following the last meeting shall be sent. Besides, this call shall be published as per the method stipulated in article (30) of these Articles of ASSOCIATION.

In all cases, the second meeting shall remain valid whatever number of the stocks represented therein.

Article (33): Quorum of the meeting of the Extraordinary General Assembly:

The meeting of the Extraordinary General Assembly shall not be valid, unless it is attended by stock holders representing at least half of the capital, and unless this quorum is available in the first meeting. The second meeting shall be held after one hour from the expiration period specified for holding the first meeting, provided that the call for holding the first meeting shall include notification of the possibility of holding this meeting.

In all cases, the second meeting shall be deemed valid, if such meeting is attended by a number of stockholders representing at least one quarter of the capital, and unless the necessary quorum is not available in the second meeting, a call for holding a third meeting with the same conditions as stipulated in article (30) of these Articles of ASSOCIATION shall be sent. Meanwhile, the third meeting shall remain valid whatever the number of stocks represented therein after the approval of the competent body.

Article (34): Voting in assemblies:

1. Each stockholder has a vote for each stock in the General Assembly, and the cumulative voting must be used in the election of the Board of Directors, so that the right of voting may not be used for the stock for more than one time.
2. The members of the board of directors may not participate in voting on the decisions of the assembly which are related to releasing them from the responsibility of managing the Company.



الشركة السعودية للطباعة والتغليف
Saudi Printing & Packaging Co

شركة مساهمة - رأس المال 600 مليون ريال سعودي - س.ت 1010219709 - عضوية رقم 17517

3. In addition, any one of the members of the board of directors may not participate in voting on the decisions related either to direct or indirect interest for him.

Article (35): Decisions of the assemblies:

1. The decisions of the Ordinary General Assembly shall be issued by an absolute majority of the shares represented at the meeting.
2. The decisions of the Extraordinary General Assembly shall be issued by a two-thirds majority of the shares represented at the meeting, unless the decision relating to capital increase, reduction of capital, extension of the company's term or dissolving the company before the expiration of the period specified in the company's articles of ASSOCIATION or merger with another company, then, the decision shall be passed only by a three-fourths majority of the shares represented at the meeting.

Article (36): Discussion in the General Assembly:

Each shareholder shall have the right to discuss the issues listed on the agenda of the assembly and to ask questions thereon to the members of the Board of Directors and the auditor. Furthermore, the Board of Directors or auditor shall answer the shareholders' questions to the extent that they do not expose the Company's interest to damage. Moreover, should the shareholder consider that the answer to his question is unconvincing, then, he shall resort to the Assembly, as its decision in this regard shall take effect.

Article (37): Presidency of the General Assemblies and Preparation of Records:

The meetings of the General Assemblies shall be chaired by the Chairman of the Board of Directors or the Vice-President in case of his absence or by any member delegated by the Board of Directors from among its members to chair the Assembly in case of the absence of the Chairman of the Board and his vice chairman.

The Chairman shall appoint a secretary for the meeting and a collector of votes. In addition, a minutes shall be issued by the meeting of the assembly, which shall include the number of shareholders who are present or represented along with the number of votes cast for them, the decisions are taken and the number of votes approved or dissented,



الشركة السعودية للطباعة والتغليف
Saudi Printing & Packaging Co

شركة مساهمة - رأس المال 600 مليون ريال سعودي - س.ت 1010219709 - عضوية رقم 17517

moreover, a conclusion of the decisions held at the meeting. Furthermore, the records shall be recorded on a regular basis after each meeting in a special register signed by the President, the Secretary, and the Registrar.

CHAPTER (V)

Audit Committee

Article (38): Composition of the Committee:

The Audit Committee shall be formed by a decision of the Ordinary General Assembly composed of at least three and not more than five members who are not the executive members of the Board of Directors, whether shareholders or others. In addition, the decision shall specify the tasks of the Committee, its working rules and the remuneration of its members.

Article (39): Quorum of the Committee Meeting:

The majority of the members of the Audit Committee are required to be present to consider the meeting valid. Moreover, the decisions shall be taken by a majority of the members present. When the votes are equal, the one who voted with the Chairman of the Committee shall be the casting vote.

Article (40): Terms of Reference of the Committee:

The Audit Committee shall have the authority to monitor the Company's business and shall have the right to inspect its records, documents and request any clarification or statement from the members of the Board of Directors or the Executive Management. Additionally, it may request the Board of Directors to convene the General Assembly, if the board of directors hinders its work or the company has suffered significant damages or losses.

Article (41): Reports of the Committee:

The Audit Committee shall consider the Company's financial statements, reports, and notes submitted by the auditor, and provide their views thereon, if any. Further, it shall prepare a report on its opinion on the adequacy of the Company's internal audit system and its other activities within its competence. In addition, The Board of Directors shall submit sufficient copies of this report at the company's



head office within at least 10 days prior to the date of the General Assembly to provide each shareholder with a copy thereof, and the report shall be read out during the Assembly.

CHAPTER (VI)

Auditor

Article (42): Appointment of the Auditor:

The Company shall have an auditor (or more) auditors authorized to operate in KSA, duly appointed by the Ordinary General Assembly annually, and, it shall determine his remuneration and duration of work in accordance with the rules and regulations established by the competent authorities. Moreover, the General Assembly may change him at any time without prejudice to his right to compensation if such change took place at an inappropriate time or for an invalid reason.

Article (43): Powers of the Auditor:

The auditor shall, at any time, have the right to access to the Company's books, records, and other documents. In addition, he may request the data and clarifications deemed necessary for him to obtain the assets and liabilities of the Company and any other matter within the scope of his work. Besides, he Chairman of the Board shall enable him to perform his duty, additionally, if the auditor encounters difficulty in this regard, it shall be proved in a report submitted to the Board of Directors. Further, if the Board does not facilitate the work of the auditor, he shall request the Board of Directors to call the Ordinary General Assembly to consider the matter.

CHAPTER (VII)

Company accounts and dividend distribution

Article (44): Company's fiscal year:

The Company's fiscal year shall commence as on the first of January and shall expire at the end of December of each calendar year.

Article (45): The Financial Documents:

1. The Board of Directors shall, at the end of each fiscal year of the Company, prepare the Company's financial statements, a report



الشركة السعودية للطباعة والتغليف
Saudi Printing & Packaging Co

شركة مساهمة - رأس المال 600 مليون ريال سعودي - س.ت 1010219709 - عضوية رقم 17517

on the Company's activity and the financial position for the previous fiscal year, as such report shall include the manner in which it proposes to the dividend. The Board shall make such documents available to the auditor within at least 45 days prior to the date set for the General Assembly to be convened.

2. The Chairman of the Board of Directors, the Chief Executive Officer and the Chief Financial Officer shall sign the documents referred to in paragraph (1) of this article and copies thereof shall be deposited in the Company's head office at the will of the shareholders within at least ten days prior to the date set for the General Assembly to be convened.
3. The Chairman of the Board of Directors shall provide the shareholders with the Company's financial statements, the report of the Board of Directors and the report of the auditor, unless published in a daily newspaper distributed in the Company's head office. It shall also send a copy of these documents to the Ministry of Commerce and Investment and the Capital Market Authority, within at least fifteen days prior to the General Assembly to be convened.

Article (46): The dividends:

The company's annual net profits are distributed as follows:

1. Ten percent of the net profits shall be set aside to form a reserve for the company, and the General Assembly may stop this set-back whenever it reaches a number of (30%) of the capital.
2. Ordinary General Assembly distributions based on the proposal of the Board of Directors to avoid a percentage not exceeding returns (20%)
3. Ordinary General Assembly shares distributions when determining the share of shares in the net distributions of other securities distributions, to the extent that achieves the interest of the company or ensures the distribution of profits of the company or shareholders. And the association has shares, shares, quotas, business relations, social foundations for the company's employees or to use to give the company's employees in the company as a reward.



4. It is distributed from the rest after paying a premium to shareholders equivalent to (5%) five percent of the paid-up capital.
5. Subject to the provisions stipulated in Article (21) of this Bylaw and Article Seventy-six of the Companies Law, after the above, a percentage not exceeding (10%) of the remaining net profits, shall be assigned to the Board of Directors, provided that the entitlement to this remuneration is proportionate. with judgment.
6. The remaining is distributing to the other side, as an additional case of earnings.

Article (47): Profitability:

The shareholder shall be entitled to his share of the profits in accordance with the decision of the General Assembly issued in this regard. The decision shall indicate the due date and the date of distribution. The eligibility for profits shall be for the owners of shares registered in the shareholders' records at the end of the day specified for entitlement. The assembly may decide to distribute profits on an annual, semi-annual or quarterly basis, and the assembly may delegate the board of directors to do so.

Article (48): Dividend to Preferred Shares:

1. If the dividends are not distributed for any fiscal year, the profits may not be distributed for the following years until after the payment of the percentage determined in accordance with the provisions of Article (114) of the Companies Law for Preferred Shareholders for such year.
2. If the Company fails to pay the percentage determined in accordance with the provisions of Article (114) of the Companies Law of profits for a period of three consecutive years, then, the Special Assembly of the holders of such shares held in accordance with the provisions of article (eighty-ninth) of the Companies Law, may decide either attending the meetings of the General Assembly of the Company and participating in the voting, or appointing their representatives on the Board of Directors commensurate with the value of their shares in the capital, until the company can pay all the priority profits allocated to the owners of these shares from previous years.



الشركة السعودية للطباعة والتغليف
Saudi Printing & Packaging Co

شركة مساهمة - رأس المال 600 مليون ريال سعودي - س.ت 1010219709 - عضوية رقم 17517

Article (49): Losses of the Company:

1. If the losses of the Joint Stock Company exceed half of the paid capital, at any time during the fiscal year, any company official or auditor shall, immediately and once being aware, notify the Chairman of the Board of Directors, who in return, shall, immediately, notify the members of the Board. Accordingly, the Board of Directors, shall, within fifteen Days of its notice of such event, call the Extraordinary General Assembly to convene within forty-five days from the date of being aware of the losses, and decide either to increase the capital of the company or to reduce it in accordance with the provisions of the Companies Law to the extent that the loss rate falls below half of the paid capital, or dissolve the company before the time prescribed in this articles of ASSOCIATION or in Companies Law.
2. The company shall be deemed liquidated by the force of the companies' law if the General Assembly fails to convene within the period specified in paragraph (1) of this article, or if it meets but unable to issue a decision on the subject or if it decides to increase the capital according to the conditions stipulated in this article, and the capital increase was not subscribed within 90 days of issuing the assembly's decision to increase.

CHAPTER (VIII) Disputes

Article (50): Liability Action:

Each shareholder shall have the right to bring the company's liability to the members of the board of directors if the mistake caused by them leads to damaging him in particular. Furthermore, the shareholder may not raise the said claim unless the company's right to file it still exists. However, the shareholder must inform the company in writing by a registered mail of his intention to file the claim.



CHAPTER (IX)

Dissolution and liquidation of the company

Article (51): Expiration of the Company:

The company shall, upon expiration, enter into the liquidation position and retain the legal personality to the extent necessary for liquidation; where, the optional liquidation decision shall be issued by the Extraordinary General Assembly. Moreover, the liquidation decision shall include the appointment of the liquidator, and determine his powers and remuneration as well as the restrictions imposed on his authorities along with the time required for the liquidation. In the meantime, the period of voluntary liquidation shall not exceed five years and may not be extended except with a judicial order. Moreover, the authority of the Board of Directors of the Company shall expire upon the dissolution thereof. However, the Board shall remain in charge of the management of the Company and shall be considered before others in the position of liquidators until the liquidator is appointed and the shareholders' assemblies shall continue during the term of liquidation, but, its role shall be limited to exercising its competencies that do not conflict with the terms of reference of the liquidator.

CHAPTER (X)

Final Provisions

Article 52:

The Companies Law and their rules and regulations shall be applied in all matters, unless otherwise provided in the provision herein.

Article (53):

These Articles of ASSOCIATION shall be deposited and published in accordance with the provisions of the Companies Law and its rules and regulations.