

## Articles of Association of Jazan Development and Investment Company

### Chapter One - Incorporation of the Company

#### Article 1: Incorporation:

A Saudi joint-stock company was established in accordance with the provisions of the Companies Law and its Regulations in accordance with the following:

#### Article 2: Company Name:

Jazan Development and Investment Company (Listed Joint-Stock Company).

#### Article 3: Business and Purposes of the Company:

The company carries out the following tasks and works:

- 1- Owning and reclamation of agricultural land for the purpose of exploiting it in the establishment of agricultural projects and the practice of drilling wells.
- 2- Establishing agricultural projects, both plant and animal.
- 3- Breeding and fattening sheep and calves, producing broiler and laying hens, establishing fish farms and practicing fishing.
- 4- Establishment of agricultural nurseries and production of fruit seedlings, forest, ornamental, aromatic and medicinal trees.
- 5- Manufacture of agricultural, animal, plant and fish products and their derivatives.
- 6- Obtaining commercial agencies and wholesale and retail trade in agricultural and industrial materials, machinery, supplies and energy fields of all kinds.
- 7- Work in the field of agricultural marketing of agricultural, plant, animal, fish and their derivatives and industrial derivatives.

- 8- Buying land to establish buildings on it and investing these buildings by sale or rent for the benefit of the company.
- 9- Maintenance and development of the property.
- 10- Establishing, managing, maintaining and operating industrial projects.
- 11- Wholesale and retail trade in foodstuffs, tools, industrial tools, building materials, tools - electrical, mechanical and electronic devices.
- 12- Transport services (transport of all kinds - air, sea and railway, pipes and support services for all transport routes).
- 13- Owning, managing, operating and developing tourist centers, hotels, tourist resorts, restaurants, rest houses, residential complexes, apartments and furnished housing units or renting them to others for the benefit of the company or renting them from others.
- 14- Leasing and leasing services (related to ships, aircraft and other means of transport, machinery and other equipment, leasing and leasing services for household goods).
- 15- Investment Excellence.
- 16- Environmental services.
- 17- Energy services, production and everything related to them.
- 18- Water desalination services and everything related to them.
- 19- Investment in the field of mining, selling, importing and exporting mining products of various kinds.
- 20- Operation, maintenance and management of roads, buildings and real estate and industrial projects.
- 21- Maintenance, cleaning, operation, subsistence, security guards and transportation of waste of various kinds of industrial, civil, medical and foodstuffs.

22-Import, export and production of lubricants, greases, radiator cooling water and related products.

23-Investment in the production of electricity from solar, wind or hydro energy and related matters.

24- Commercial agencies and marketing services for others.

25-Travel and tourism agencies and advertising

26-Trade, import and export, transportation, dry and refrigerated storage for the benefit of the company or others.

27-E-commerce.

28-Production, canning, packaging, marketing and distribution of foodstuffs, fruits, vegetables, shrimp products, frozen fish and processed.

29-Real estate development and investment activity and land division.

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

#### **Article 4: Participation and Ownership in Companies:**

The company may establish companies alone inside or outside the Kingdom of Saudi Arabia, and it may also own shares and shares in other existing companies or merge with them and has the right to participate with others in the establishment of companies, after fulfilling the requirements of the regulations and instructions followed in this regard.

The company may also dispose of such shares or shares, provided that this does not include brokerage in their trading.

**Article 5: The company's head office:**

The company's head office is located in the city of Jizan, Kingdom of Saudi Arabia, and the Board of Directors may establish branches or agencies inside or outside the Kingdom of Saudi Arabia by a decision of its Board of Directors.

**Article 6: Term of the Company:**

The term of the company is indefinite.

**Chapter Two: Capital and Shares**

**Article 7: Capital:**

The company's capital is (500,000,000 Saudi Riyals) five hundred million Saudi Riyals divided into (50,000,000) shares (fifty million shares) of equal value, the nominal value of each of which is (10) ten Saudi Riyals, all of which are ordinary and cash shares, and have been subscribed, fulfilled and paid in full.

**Article 8: Issuance of shares and the company's purchase, sale or mortgage of its shares:**

- 1- The shares of the company shall be nominal and indivisible vis-à-vis the company, the ownership of the share is several persons who must choose one of them to act on their behalf in the use of the rights related to it, and these persons shall be jointly liable for the obligations arising from the ownership of the share.
- 2- Shares may not be issued at less than their nominal value and may be issued at a higher than this value, in which case the difference in value shall be placed in a separate item within the shareholders' equity, and shall be used as determined by the relevant laws and regulations.

- 3- The Company may divide the shares into shares with a lower nominal value, or merge them so that they represent shares with a higher nominal value in accordance with the relevant laws and regulations.
- 4- The Company may issue preferred, ordinary or redeemable shares or decide to buy, sell or mortgage them, and the shares purchased by the Company shall not have votes in the shareholders' assemblies. The company may purchase its shares for the purpose of allocating them to its employees within the employee share program and may sell treasury shares in one or several stages in accordance with the relevant laws and regulations.
- 5- In cases where the company has shares of different types or categories, the company may convert one type or category thereof into another type or class in accordance with the relevant laws and regulations.

#### **Article 9: Sale of Unfulfilled Shares:**

- 1- The shareholder shall pay the value of the share on the specified dates, and if he fails to pay on the specified date, the Board of Directors may, after being notified by registered letter or notified by any means of modern technology, sell the share in the public auction or the capital market, as the case may be, in accordance with the controls determined by the competent authority.
- 2- The company shall collect from the proceeds of the sale the amounts due to it and return the rest to the shareholder. If the proceeds of the sale are not sufficient to meet these amounts, the company may collect the remainder from all the shareholder's funds.
- 3- The rights relating to shares that have failed to pay their value shall be suspended at the expiry of the date specified for them until they are sold or the due thereof is paid in accordance with the provisions of paragraph (1) of this Article, and shall include the right to receive a share of the

net profits to be distributed and the right to attend the assemblies and vote on their resolutions. However, the shareholder who fails to pay until the day of sale may pay the value due from him plus the expenses incurred by the company in this regard, in which case the shareholder shall have the right to Request for dividends to be distributed.

- 4- The company shall cancel the sold share in accordance with the provisions of this Article, and shall give the buyer a new share bearing the canceled share number, and shall indicate in the shareholders' register the occurrence of the sale with the name of the new owner.

#### **Article 10: Trading of Shares and Shareholders' Register:**

The Company's shares shall be traded in accordance with the provisions of the Capital Market Law and its Implementing Regulations and Market Regulations and Rules.

#### **Article 11: Capital Increase:**

- 1- The Extraordinary General Assembly may decide to increase the issued or authorized capital of the company, if any, provided that the issued capital has been paid in full. The capital is not required to have been paid in full if the unpaid part of it is due to shares issued against the conversion of debt instruments or financing instruments into shares and the prescribed period for their conversion has not yet expired.
- 2- The Extraordinary General Assembly may, in all cases, allocate the shares issued upon capital increase or part thereof to the employees of the company and the subsidiaries or some of them. Shareholders may not exercise the right of priority when the company issues shares allocated to

employees. The competent authority may set the controls and procedures for allocating shares to employees of the company, subsidiaries or some of them, or any of the same.

- 3- In all cases, the nominal value of the shares of the increase must be equal to the nominal value of the original shares of the same type or class.
- 4- The shareholder who owns the share shall, at the time of the issuance of the extraordinary general assembly resolution approving the capital increase, have priority in subscribing to new shares issued against cash shares, and shall be informed of his priority, if any, by registered letter at his address contained in the shareholders' register, or through modern technology, and the decision to increase the capital, the terms of subscription, its modality, and the date of its start and expiry, taking into account the type and category of the share he owns.
- 5- The Extraordinary General Assembly has the right to suspend the pre-emption right of shareholders in subscribing to a capital increase in exchange for cash shares or to grant the right of priority to non-shareholders in cases it deems to be in the interest of the company.
- 6- The shareholder in a joint stock company may sell or assign the right of priority for material consideration or free of charge as determined by the relevant laws and regulations.
- 7- Subject to the provisions of paragraph (5) above, the new shares shall be distributed to the holders of pre-emptive rights who have requested subscription in proportion to their pre-emptive rights of the total such rights resulting from the capital increase, provided that the amount they receive does not exceed what they requested from the new shares and taking into account the type and category of the share they own, and the remainder of the new shares shall be distributed to the holders of pre-emptive rights who have requested more than their share in proportion to their pre-emptive rights of the total such rights. resulting from the capital increase, provided that the amount they receive does not exceed what they requested from the new

shares, and the remaining shares shall be offered to others, unless the extraordinary general assembly or the Capital Market Law provides otherwise.

#### **Article 12: Capital Reduction:**

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 to less than the limit set forth in Article (fifty-ninth) of the Companies Law. The reduction decision shall not be issued until after reading a statement in the General Assembly prepared by the Board of Directors on the reasons for the reduction, the company's obligations and the impact of the reduction on their fulfillment, and a report from the company's auditor shall be attached to this statement.

If the reduction of the capital is the result of its increase in the company's need, and the creditors must be invited to express their objections, if any, to the reduction at least (forty-five) days before the date specified for the extraordinary general assembly meeting to take the decision to reduce it, provided that a statement explaining the amount of capital before and after the reduction, the date of the meeting and the effective date of the reduction shall be attached to the invitation, if any of the creditors objects to the reduction and submits its documents to the company on the said date, the company shall lead to it. His debt if it is immediate, or to provide him with sufficient security to pay it if it is deferred.

#### **Article 13: Debt Instruments and Financing Sukuk:**



The Company may issue debt instruments or negotiable financing instruments, or convert debt instruments or financing instruments into shares in accordance with the Capital Market Law and the provisions of the relevant laws and regulations.

### **Chapter Three - Board of Directors**

#### **Article 14: Management of the Company:**

The Company shall be managed by a Board of Directors consisting of (7) members elected by the Ordinary General Assembly of the shareholders by cumulative voting for a period not exceeding four years, and the members of the Board of Directors may be re-elected more than once.

#### **Article 15: Expiration or Termination of the Board Membership**

- 1- The membership of the Board shall expire upon the expiry of its term or the expiry of the member's validity thereof in accordance with any system or instructions in force in the Kingdom, and the General Assembly may (based on the recommendation of the Board of Directors) terminate the membership of any member who is absent from attending (three) consecutive meetings or (five) separate meetings during his term of membership without a legitimate excuse acceptable to the Board of Directors, however, the Ordinary General Assembly may dismiss all or some of the members of the Board of Directors, and the Ordinary General Assembly in this case shall elect a Board of Directors New or whoever replaces the dismissed member (as the case may be) in accordance with the provisions of the relevant laws and regulations.
- 2- Upon termination of the membership of a member of the Board of Directors by one of the methods of termination of membership, the Company shall notify the Capital Market Authority with a statement of the reasons for this.

**Article 16: The expiry of the term of the Board of Directors, the retirement of its members or the vacancy of membership:**

- 1- Before the expiry of its term of office, the Board of Directors shall convene the Ordinary General Assembly to elect a Board of Directors for a new term. If the election cannot be held and the term of the current Board expires, its members shall continue to perform their duties until the election of a Board of Directors for a new term, provided that the term of continuation of the members of the Board shall not exceed the period specified by the relevant laws and regulations.
- 2- If the Chairman and members of the Board of Directors retire, they shall convene the Ordinary General Assembly to elect a new Board of Directors, and the retirement shall not take effect until the election of the new Board, provided that the term of continuation of the retired Board shall not exceed the period determined by the relevant laws and regulations.
- 3- A member of the Board of Directors may retire from the membership of the Board by virtue of a written notification addressed to the Chairman of the Board, and if the Chairman of the Board retires, the notification shall be addressed to the rest of the members of the Board and the Secretary of the Board, and the retirement shall be effective - in both cases - from the date specified in the notification.
- 4- If the position of a member of the Board of Directors becomes vacant due to the death or retirement of any of its members and such vacancy does not result in a breach of the conditions necessary for the validity of the meeting of the Board due to the lack of the number of its members from the minimum, the Board may appoint (temporarily) to the vacant position a person who has experience and competence, provided that he informs the Commercial Register, as well as the Capital Market Authority if the company is listed on the Capital Market, within (fifteen) days from the date of appointment, and the appointment shall be submitted to the

Ordinary General Assembly at Its first meeting, and the appointed member shall complete the term of his predecessor.

- 5- If the necessary conditions for the validity of the convening of the Board of Directors are not met due to the lack of the number of its members from the minimum stipulated limit, the rest of the members shall call the Ordinary General Assembly to convene within (sixty) days to elect the necessary number of members.

#### **Article 17: Powers of the Council:**

Subject to the competencies prescribed for the General Assembly, the Board of Directors shall have the widest powers in managing the company, drawing up its policies, determining its investments, supervising its business, conducting its affairs, and carrying out all actions and actions inside and outside the Kingdom that would achieve its objectives, including the powers and powers of the Board of Directors, including but not limited to the following:

- 1- Dispose of the company's assets, properties and real estate, and he has the right to accept the gift, the right of mortgage, release of the mortgage, sale, purchase, emptying, receipt and delivery of the price and the appraiser, provided that the minutes of the Board and the reasons for its decision to dispose and sell shall include the reasons and justifications for this, taking into account the following conditions:
  - I- The sale shall be fair and close to the price of the same in accordance with the generally accepted accounting principles.
  - II- The sale shall be present except in cases estimated by the Board and with sufficient guarantees.

- III- Such conduct shall not result in damage to the company and the cessation of some of its activities or the imposition of other obligations due to the conditions of such disposition.
- IV- The approval of the Ordinary General Assembly on the resolution of selling more than (50%) of the company's assets, whether the sale was made through one transaction or several deals, and if the sale was made through several deals, the transaction that leads to exceeding (50%) of the sale of 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 made during the past twelve months.
- 2- Opening, managing and closing all types of accounts, including investment, signing credits, transfers, financial documents, withdrawals and deposits with banks, issuing checks and commercial papers and transferring them to others, and has the right to carry out all banking transactions, appoint authorized signatories, determine and cancel their powers, and request the issuance and cancellation of ATM cards and passwords.
- 3- Issue guarantees, guarantees and bonds to order and provide guarantees of all kinds to banks, funds, financial institutions, government finance institutions and the company's creditors, and sign all papers and documents related thereto.
- 4- Concluding loans with any party whatsoever, such as government funds and institutions, and commercial loans with banks and financial institutions, regardless of their duration and for any limits determined by the Board.
- 5- The Board of Directors, in cases estimated by it, shall have the right to discharge the company's debtors from their obligations in accordance with what achieves its interest and in accordance with the generally accepted accounting procedures in the formation of provisions for doubtful debts, and that the debt has passed for a period and the Board considers it useless to continue to claim it, provided that the minutes of the Board and the reasons for its decision to discharge the

company's debtors from liability include the reasons and justifications for that, and the discharge is a right of the Board, which may not be delegated.

- 6- Establishing companies or participating with others in their incorporation or owning shares and shares in other existing companies or acquiring or merging with them, investing of all kinds, deposits, instruments, bonds, shares and funds and disposing of these shares or shares, and has the right to provide some of the assets, properties and real estate of the company as an in-kind share in the capital of any company in which it participates or establishes, and amend its articles of association and sign on behalf of the company the articles of association of the companies in which the company participates and the annexes to its amendments, whatever it is. The type of these companies and whatever the content of these amendments, including amendments related to increasing or decreasing the capital, assigning shares and shares and selling them in accordance with the relevant regulations, accepting the shares and shares relinquished to the company, transferring or merging companies, and buying and selling shares and shares in companies, whether all shares and shares or some of them, and the Board may request, accept and negotiate the offering of shares and shares owned by the company for public or private subscription inside or outside the Kingdom of Saudi Arabia, taking into account the requirements The Board may appoint the company's representatives in the management of any other company that is affiliated to it or shareholding therein, attend the meetings of the assemblies of partners or shareholders, boards of directors and boards of directors, vote on behalf of the company, and sign the resolutions and minutes of the meetings of the assemblies of partners, shareholders, managers and boards of directors therein. And sign agreements and instruments in front of notaries and official authorities.
- 7- Appointment and dismissal of the company's CEO and deputy CEOs.
- 8- Determine the powers, duties and financial rights of the CEO and Deputy CEOs.

- 9- Approving the financial position, financial statements and annual budget of the company.
- 10- Approving the company's internal regulations and policies, and governance regulations and policies, unless the competent authorities provide for the powers of the association in this regard.
- 11- The Board of Directors shall provide financial support to any of the subsidiaries or associates, as well as the companies in which the company participates at the value and manner deemed appropriate by the Board, in addition to the fact that the Board of Directors shall provide guarantees for loans and credit facilities of various kinds obtained by any of the subsidiaries, associates or companies in which they participate.
- 12- The right of conciliation, assignment, contract, obligation, association, collection of debts of the company or subsidiaries, acceptance of composition and arbitration

Within the limits of its competences, the Board shall have the right to delegate or authorize one or more of its members, a committee of the Board, one of the Company's employees or a third party to carry out certain work or work, and it shall have the right to cancel the delegation or power of attorney in part or in full.

#### **Article 18: Remuneration of Board Members:**

This remuneration shall be a certain amount, attendance allowance for sessions, in-kind benefits, or a certain percentage of the net profits, and two or more of the foregoing may be combined, in addition to travel, accommodation and accommodation expenses, and the Ordinary General Assembly shall determine the amount of such remuneration, taking into account that the remuneration shall be fair, motivating and commensurate with the performance of the member and the performance of the company.

The report of the Board of Directors to the Ordinary General Assembly at its annual meeting shall include a comprehensive statement of all remuneration, attendance allowance, expenses allowance and other benefits received or entitled to each member of the Board of Directors during the fiscal year. It shall also include a statement of what the members of the Council received as workers or administrators or what they received in return for technical, administrative or consulting work, and also include a statement of the number of meetings of the Council and the number of meetings attended by each member.

**Article 19: Powers of the President, the Deputy, the Managing Director and the Secretary:**

- 1- The Board of Directors shall appoint, at its first meeting, from among its members, a Chairman and Vice-Chairman, and may appoint from among its members a Managing Director, and may appoint from among its members or others a Chief Executive Officer of the Company, and the position of Chairman of the Board of Directors may not be combined with any executive position in the Company.
- 2- Taking into account the terms of reference and powers of the Board of Directors, the Chairman of the Board of Directors shall be competent to invite the Board to meet and preside over its meetings and the meetings of the General Assembly of shareholders, and to represent the company in its relationship with others and sign on its behalf before all governmental, semi-governmental and non-governmental agencies, the Royal Court, ministries, public and private authorities and institutions, the Emirates and all government departments, including but not limited to (Traffic, Passports and Recruitment Department, Labor Office, Expatriates

Department, Civil Defense and Registration Department). trademarks and commercial agencies), companies, banks, individuals, etc., and the right to represent the company and sign on its behalf before all judicial and quasi-judicial authorities of various names, types and degrees, and has the right to quarrel, claim, plead, defend, file a lawsuit, hear and respond to lawsuits - acknowledgment - denial - reconciliation - waiver - discharge - request, return and refrain from taking an oath - bring witnesses and evidence and challenge them - answer, wound and amendment - challenge forgery - denial of lines, seals and signatures - request for travel ban and raise it - Review the Attachment and Execution Departments - Request for Attachment and Execution - Request for Arbitration - Appointment of Experts and Arbitrators - Appeal, Response and Replacement of Experts and Arbitrators Reports - Demand for the Enforcement of Judgments - Acceptance and Denial of Judgments - Objection to Judgments and Appeal Request - Petition for Reconsideration - Marginalization of Judgmental Instruments - Request for Rehabilitation - Request for Pre-emption - Request for Cassation of the Judgment at the Supreme Court - Termination of what is necessary Attending sessions in all cases before all courts - Submission of memoranda and documents - Receipt of memoranda and documents - Receipt of amounts By check in the name of the company - Receipt of judgments instruments - Request for recusal of the judge - Request for entry and overlap - Request for referral of the case - And before the administrative courts (Board of Grievances) and before the Committee for the Consideration of Violations of the Competition Law, the Sharia Medical Committees, the Labor Committees, the Financial Dispute Resolution Committees, the Banking Dispute Settlement Committees, the Committees for the Resolution of Securities Disputes, the Offices for the Resolution of Commercial Papers Disputes, the Commercial Dispute Resolution Committees, the Customs Committees, the Commercial Fraud Committees, the Insurance Disputes and Violations Resolution Committees, and the Public Prosecution The General Court, the Supreme Court, the



Committee for the Resolution of Tax Violations and Disputes, the Appeal Committee for Tax Violations and Disputes, and others, and has the right to deliver and receive all papers, transactions and judgments and terminate what is necessary in all courts and committees, and with regard to real estate, he has the right to represent the company and sign on its behalf with regard to receiving instruments, merger, fragmentation, sorting, updating and entering them into the comprehensive system, extracting a set of lost replacement instruments, ratifying copies of real estate deeds, reviewing notaries to inquire about real estate properties and amending Boundaries, lengths, area, plot numbers, plans, deeds and their dates, names of neighborhoods, leasing, leasing, receiving rent and investment returns by check in the name of the company and he has the right to represent the company and sign on its behalf.

The authority of the Chairman of the Board of Directors is solely to represent the company or sign on its behalf in all of the above and he has the right to delegate or delegate to others any or all of his powers or competencies, and the remuneration he receives shall be in addition to the remuneration prescribed for the members of the Board of Directors in accordance with what is proposed by the Board of Directors and approved by the Shareholders Assembly.

- 3- The Vice-Chairman of the Council shall assume the functions of the Chairman of the Council in his absence.
- 4- The Managing Director, in the event of his appointment, shall be responsible for the powers determined by the Board of Directors and the implementation of all instructions issued by the Board, and the Board shall determine, at its discretion and based on a resolution issued by it, the remuneration received by the Managing Director for all additional work performed by him in his capacity as an executive and not as a member of the Board.
- 5- The Board of Directors shall appoint a secretary chosen from among its members or others and determine his remuneration.

6- The term of the Chairman of the Board, his deputy, the Managing Director and the Secretary and member of the Board of Directors shall not exceed the term of membership of each of them in the Board, and the Board of Directors may re-exempt the Chairman of the Board, his deputy, the Managing Director, the Chief Executive Officer, the Secretary, or any of them, from such positions, and this shall not result in their exemption from their membership in the Board of Directors.

#### **Article 20: Board Meetings:**

The Board of Directors shall meet at least four times a year at the invitation of its Chairman, and the invitation shall be in writing and may be sent via regular mail, e-mail or other means of modern technology, and the Chairman of the Board or his representative - in the event of his absence - must invite the Board to the meeting whenever requested to do so by any member of the Board to discuss any or more topics.

The Board of Directors shall determine the place of holding its meetings and its meetings may be held using modern technology, and it shall also be entitled to invite to attend its meetings whomever it deems appropriate from the company's employees, consultants or others, provided that they do not have the right to vote.

#### **Article 21: Quorum for the Board Meeting:**

The meeting of the Board of Directors of a joint stock company shall not be valid unless attended by at least half of the members (in person or on behalf of), provided that the number of attendees on behalf shall not be less than three members.

A member of the Board of Directors, with the approval of the Chairman of the meeting, may attend the meeting of the Board of Directors through modern technology. A member of the Board may also delegate other members to attend the meetings of the Board and vote on his behalf on the decisions taken during the meeting, in accordance with the following controls:

- 1- A member of the Board of Directors may not represent more than one member in attending the same meeting.
- 2- The delegation shall be fixed in writing - and may be by means of modern technology - and on a specific meeting.
- 3- The deputy may not vote on decisions on which the law prohibits the delegate from voting.

#### **Article 22: Decisions and Deliberations of the Council:**

The decisions of the Council shall be issued by a majority of the votes of the members present (in person or on behalf of), and in the event of equality of votes, the side with which the chairman of the meeting voted shall prevail, and the decision shall take effect from the date of its issuance, unless it stipulates that it shall take effect at another time or when certain conditions are met.

The Board of Directors may issue its decisions on urgent matters by presenting them to all members by circulation, unless one of the members requests, in writing, a meeting of the Board for deliberation, and such decisions shall be issued with the approval of the majority of the votes of its members and such decisions shall be presented to the Board at its first subsequent meeting to be recorded in the minutes of that meeting.

The deliberations and decisions of the Board of Directors shall be recorded in minutes prepared by the Secretary and signed by the Chairman of the meeting, the members of the Board of Directors present and the Secretary. These minutes shall be recorded in a special register signed by the Chairman of the Board of Directors and the Secretary, and modern technology may be used to sign and record deliberations and decisions and record minutes.

#### **Chapter Four: Shareholders' Assemblies**

##### **Article 23: Attendance of Assemblies:**

- 1- Each shareholder has the right to attend the general assemblies of shareholders, and the shareholder has the right, by written power of attorney, to authorize another natural person from the shareholders or other non-members of the company's board of directors to attend the assembly meeting and vote on its agenda items on his behalf in accordance with the relevant laws and regulations.
- 2- Meetings of the general assemblies of shareholders may be held, the shareholder may participate in their deliberations and vote on their resolutions using modern technology means in accordance with the controls set by the competent authority.
- 3- Shareholders who wish to attend the general or special assembly shall register their names at the company's head office or at the headquarters where the assembly is held before the time specified for the assembly, and the attendance and votes of the participating shareholders shall

be counted through modern technology and the shareholders who vote automatically within the quorum necessary for the validity of the assembly meeting and the issuance of resolutions.

**Article 24: Competences of the Ordinary General Assembly:**

Except for matters within the competence of the extraordinary general assembly, the ordinary general assembly shall be concerned with all matters related to the company and shall convene at least once a year during the six months following the end of the company's fiscal year, and other ordinary general assemblies may be invited to meet whenever the need arises.

**Article 25: Competences of the Extraordinary General Assembly:**

The Extraordinary General Assembly shall be competent to amend the Company's Articles of Association, with the exception of matters prohibited from amending them by law, and may issue decisions in matters originally within the competence of the Ordinary General Assembly, under the same terms and conditions prescribed for the Ordinary General Assembly.

**Article 26: Call to Assemblies:**

The general or special assemblies of shareholders shall be convened at the invitation of the Board of Directors in the city where the company's head office is located or any other place determined by the Board in accordance with the conditions stipulated in this Articles of Association and the Companies Law and the controls set by the competent authorities in this regard, and the Board of Directors shall convene the Ordinary General Assembly within (thirty) days from the date of the

request of the auditor or the audit committee or One or more shareholders representing (ten percent) of the shares of the company that have voting rights at least, and the auditor may convene the ordinary general assembly if the board does not issue the invitation within (thirty) days from the date of the auditor's request.

The date, place and agenda of the General Assembly shall be announced at least twenty-one days before the date, and the invitation shall be published on the Capital Market website and the Company's website, in addition to that, the company may send the invitation through modern technology, and a copy of the invitation and agenda shall be sent to the Commercial Register and the Capital Market Authority on the date of announcing the invitation.

#### **Article 27: Quorum for the Ordinary General Assembly Meeting:**

The convening of the ordinary general assembly meeting shall not be valid unless attended by shareholders representing at least one quarter of the shares of the company that have voting rights, and if the quorum necessary to hold this meeting is not available, the second meeting shall be held an 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, and in the event that the first invitation does not include the possibility of holding the second meeting, a second meeting is invited to be held during Thirty days following the previous meeting, and this invitation shall be published in the manner provided for in these Articles, and in all cases the second meeting shall be valid regardless of the number of shares that have voting rights represented therein.

**Article 28: Quorum for the Extraordinary General Assembly Meeting:**

The extraordinary general assembly meeting shall not be valid unless attended by shareholders representing at least half of the shares of the company that has voting rights, and if this quorum is not available in the first meeting, the second meeting shall 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, and in the event that the first invitation does not include the possibility of holding the second meeting, the invitation to a second meeting shall be issued. It shall be held in the same conditions provided for in these Regulations.

In all cases, the second meeting shall be valid if attended by a number of shareholders representing at least one quarter of the shares of the company that have voting rights, and if the necessary quorum is not available in the second meeting, a third meeting shall be called to be held in the same conditions stipulated in this system, and the third meeting shall be valid regardless of the number of shares that have voting rights represented therein.

**Article 29: Voting in Assemblies:**

Each shareholder has a vote for each share in the shareholders' assemblies, and the cumulative vote must be used in the election of the Board of Directors, and the members of the Board of Directors may not participate in voting on the resolutions of the Assembly that relate to business and contracts, in which they have a direct or indirect interest or that involve a conflict of interest.

**Article 30: Resolutions of Assemblies:**

- 1- The resolutions of the Ordinary General Assembly shall be issued with the approval of the majority of voting rights represented at the meeting.
- 2- The resolutions of the extraordinary general assembly shall be issued with the approval of (two-thirds) of the voting rights represented at the meeting, unless the resolution is related to increasing or decreasing the capital, prolonging the company's term, dissolving it before the expiry of the period specified in its articles of association, merging it with another company or dividing it into two or more companies, it shall not be valid unless it is issued with the approval of (three-quarters) of the voting rights represented at the meeting.
- 3- The Board of Directors shall register with the Commercial Register the resolutions of the extraordinary general assembly specified in the relevant laws and regulations within (fifteen) days from the date of their issuance.
- 4- The resolution of the general assembly of a joint stock company shall be effective from the date of its issuance, except in cases where the Companies Law, the Company's Articles of Association or the resolution issued stipulate that it shall apply at another time or when certain conditions are met.

### **Article 31: Discussion in Assemblies:**

Each shareholder has the right to discuss the topics included in the agenda of the general assembly and direct questions thereon to the members of the board of directors and the auditor, and the board of directors or the auditor must respond to the shareholders' questions to the extent that does not expose the interest of the company to harm and if the shareholder deems that the answer to his question is not convincing, he shall appeal to the general assembly and its decision in this regard shall be effective.



**Article 32: Chairing Associations and Preparing Minutes:**

The meeting of the General Assembly of Shareholders shall be chaired by the Chairman of the Board of Directors or his deputy in his absence, or whoever is delegated by the Board of Directors from among its members in their absence, and in the event that this is not possible, the General Assembly shall be chaired by those delegated by the shareholders from the members of the Board or others by voting, and the Chairman of the meeting shall appoint a secretary for the meeting and the collectors of votes whose appointment shall be approved by the Assembly.

Minutes shall be drawn up at the meeting of the General Assembly that includes the number of shareholders present in person or on behalf of the meeting, the number of shares held by them in person or on behalf of them, the number of votes prescribed for them, the decisions taken, the number of votes approved or opposed thereto, and a compendium of the discussions that took place at the meeting. Minutes are recorded regularly after each meeting in a special register signed by the President and Secretary of the Assembly and the collectors.

**Chapter Five - Board Committees**

**Article 33: Board Committees:**

Without prejudice to the provisions of the relevant laws and regulations, the Board of Directors may form specialized committees in accordance with the company's needs, circumstances and conditions in a manner that enables it to perform its tasks effectively, and has the authority to determine the tasks of the committees, their work controls, and the remuneration of their members in accordance with the controls and instructions set by the competent authorities.

## Chapter Six - Auditor

### Article 34: Appointing the Auditor:

The company shall have one or more auditors from among the auditors licensed to work in the Kingdom appointed by the ordinary general assembly and determine his remuneration, duration of work and scope, and may reappoint him in accordance with the relevant laws and regulations, and the association may dismiss the auditor without prejudice to his right to compensation for the damage caused to him if necessary. The Chairman of the Board of Directors shall inform the Capital Market Authority The dismissal decision and its reasons, within a period not exceeding (five) days from the date of issuance of the decision.

### Article 35: Powers and Responsibilities Auditor:

The auditor may, at any time, review the company's documents, accounting records and supporting documents, and may request such data and clarifications as he deems necessary to verify the company's assets and liabilities, and other matters within the scope of his work. The Board of Directors shall enable him to perform his duty. If the auditor encounters difficulty in this regard, he shall prove this in a report to be submitted to the Board of Directors. If the Board of Directors does not facilitate the work of the auditor, it shall request them to convene the General Assembly to consider the matter. The auditor may issue such an invitation if the Board of Directors does not issue it within (thirty) days from the date of the auditor's request.

The auditor shall submit to the General Assembly at its annual meeting a report on the company's financial statements prepared in accordance with the auditing standards adopted in the Kingdom

and included in the position of the company's management to enable him to obtain the data and clarifications requested by him, and any violations he may have found of the provisions of the Law, the company's Memorandum of Association or its articles of association within the limits of his competence, and his opinion on the fairness of the company's financial statements. The auditor must read out his report or review a summary. to him at the Annual General Assembly.

## Chapter Seven: Company Accounts and Dividends Distribution

### Article 36: Fiscal Year:

The company's fiscal year starts from the first of January and ends at the end of December of each calendar year.

### Article 37: Financial Documents:

- 1- The Board of Directors shall, at the end of each financial year of the Company, prepare the Company's financial statements and a report on its activities and financial position for the preceding fiscal year, and this report shall include the proposed method of distribution of profits. The Board shall place these documents at the disposal of the auditor at least forty-five days before the date set for the Annual Ordinary General Assembly, and the Chairman of the Board of Directors, its Chief Executive Officer and its Chief Financial Officer shall sign the documents

referred to in these documents. Copies thereof shall be deposited at the company's head office at the disposal of the shareholders.

- 2- The Chairman of the Board of Directors shall provide the shareholders with the Company's financial statements, the report of the Board of Directors, after signing them, and the auditor's report, unless published in any of the modern technology, at least twenty-one days before the date set for the annual ordinary general assembly, and he shall also deposit these documents in accordance with the relevant laws and regulations.

### **Article 38: Distribution of Profits:**

The company's annual net profits shall be distributed as follows:

- 1- The Ordinary General Assembly may, when determining the share of shares in the net profits, decide to form reserves to the extent that it is in the interest of the company or ensures the distribution of fixed dividends, to the extent possible, to the shareholders. The said association may also deduct from the net profits sums for the social purposes of the company's employees.
- 2- The General Assembly shall determine the percentage to be distributed to shareholders from the net profits after deducting reserves, if any.
- 3- The company may distribute interim dividends to its shareholders on a semi-annual or quarterly basis and may authorize the Board of Directors to do so after fulfilling the controls set by the competent authorities.

### **Article 39: Entitlement to Profits:**

The shareholder shall be entitled to his share in the profits in accordance with the resolution of the General Assembly issued in this regard, or in accordance with the resolution of the Board of Directors in the distribution of interim dividends, and the resolution shall indicate the maturity date and the date of distribution, and the eligibility of profits shall be for the shareholders registered in the shareholders' registers at the end of the day specified for maturity.

#### **Article 40: Company Losses:**

If the company's losses amount to (half) of the issued capital, the Board of Directors shall disclose this and its recommendations regarding such losses within sixty days from the date of becoming aware of reaching this amount, and invite the extraordinary general assembly to meet within (one hundred and eighty) days from the date of becoming aware of this to consider the continuation of the company with any of the necessary measures to address or resolve such losses.

### **Chapter Eight - Dissolution and Liquidation of the Company**

#### **Article 41: Termination of the Company:**

The company shall lapse by one of the reasons for expiry mentioned in Article (forty-third after two hundred) of the Companies Law, and upon its expiry, it shall enter into the liquidation role in accordance with the provisions of Chapter Twelve of the Companies Law, and if the company lapses and its assets are not sufficient to pay its debts or were troubled in accordance with the Bankruptcy Law, it shall apply to the competent judicial authority to open any of the liquidation procedures under the Bankruptcy Law.

## Chapter Nine: Final Provisions

### Article 42:

- 1- The Company is subject to the regulations in force in the Kingdom of Saudi Arabia.
- 2- Any provision that contradicts the provisions of the Companies Law in this Basic Law shall not be considered and the provisions contained in the Companies Law shall be applied against it, and all that is not provided for in this Basic Law shall be applied in respect of the Companies Law, its Executive Bylaws, the Capital Market Law and its Implementing Regulations.
- 3- This Law shall be filed and published in accordance with the provisions of the Companies Law and its Regulations.

**God bless ,,,**