

**Articles of Association (AOA) of  
Arabian Cement Company  
“Listed Joint-Stock Company”**

**Chapter (1): Company Establishment**

**Article (1): Establishment:**

Company shall be established under the provisions of Companies' Law, the implementing regulations thereof and this AoA, according to the following:

**Article (2): Company Name:**

Arabian Cement Company (Listed Joint-Stock Company)

**Article (3): Purposes of Company:**

Producing cement and construction materials, their fittings and derivatives inside and outside the Kingdom of Saudi Arabia.

Trading in clinker, cement and construction materials, their fittings and derivatives inside and outside the Kingdom of Saudi Arabia.

Quarrying and establishing factories and warehouses necessary for the Company's purposes to be used in manufacturing, storing, selling, purchasing, importing and exporting as well as establishing other complementary and supporting industries.

To this end, the Company may conclude all types of real estate and movable asset contracts and enter into any other agreements as determined by the applicable laws.

In addition, the Company shall run its business in accordance with the laws in force after obtaining the necessary licenses from the competent authorities, if any.

**Article (4): Shareholding & Conglomeration:**

The Company may solely establish (liability-limited or closed joint-venture) companies. The Company may hold shares and dividends in other existed companies or conglomerate therewith. In addition, the Company shall have the right, after fulfilling the requirements of the applicable regulations and instructions in this regard, to participate with a third party in establishing joint-stock or limited liability companies. Meanwhile, the company may dispose of these shares or dividends, provided that this shall not brokerage in its trading.

**Article (5): Registered headquarters:**

Company registered headquarters is located in the city of Jeddah. Company registered headquarters may be transferred to any other place within the Kingdom of Saudi Arabia in accordance with the provisions of the laws and regulations in force in the Kingdom of Saudi Arabia. Subject to the provisions of the applicable laws and regulations, the Company Board may establish branches, offices or agencies inside and outside the Kingdom as required by the Company purposes or as seen beneficial by Company Board resolution.

**Article (6): Company Term:**

The company was established for an indefinite term, starting from the date of its registration in the commercial register.

**Article (7): Company Capital:**

The Company Issued Capital is one thousand Million Saudi riyals (SAR 1,000,000,000), divided into (One Hundred Million) (SAR 100,000,000) ordinary cash shares equal in value. The nominal value per share shall be (SAR 10) Ten Saudi Riyals, all thereof are ordinary cash shares.

## Chapter 2: Capital and Shares

### **Article (8): Subscription of Shares:**

The shareholders have subscribed all capital shares amounting to 100,000,000 fully-paid shares.

### **Article (9): Preference Shares and the Company Purchase and Transfer of Shares:**

1. The Company Extraordinary General Assembly, under the provisions of Islamic Sharia and pursuant to the foundations set by the competent authority, may issue Preference Shares or decide to purchase it, or to transfer ordinary shares to Preference Shares, or to transfer Preference Shares to ordinary shares.
2. Preference Shares shall not give the right to vote in Shareholders' General Assemblies in the cases approved by laws and regulations of the competent authority.

### **Article (10): Selling the Shares of Unpaid Value:**

1. The shareholder shall pay the value of the share on the specified dates. In the event that the shareholder fails to pay on the due date, the Board of Directors may, after notifying such shareholder through the communications means approved by the competent authority, sell the share in the public auction or the stock market, as the case may be. The shareholders shall have priority in purchasing the shares of the defaulting shareholder in accordance with the applicable regulations and controls set by the competent authority.
2. The company collects the amounts due hereto from the sale proceeds and shall return the remainder to the shareholder. If the sale proceeds are not sufficient to collect these amounts, the company may collect the remainder from all the shareholder's funds.
3. The enforcement of the rights related to the shares that fail to fulfill their value shall be suspended upon the expiration of the date set for them until the time of their sale or the payment of those due from them in accordance with the provision of Paragraph (1) of this Article. "These include the right to obtain a share of the net profits that may be distributed and the right to attend assemblies and vote on their resolutions. Nevertheless, the shareholder who fails to pay until the day of the sale may pay the value due, in addition to the expenses incurred by the company in this regard. In this case, the shareholder shall have the right to request obtaining the profits to be distributed.
4. The company cancels the certificate of the sold share in accordance with the provisions of this article and gives the buyer a new share certificate bearing the same number; It shall indicate in the register of shareholders that the sale has taken place, and shall include the necessary data for the new shareholder.

### **Article (11): Issuing Shares:**

The shares of joint stock companies shall be nominal and indivisible against the shareholders. If a share is owned by multiple persons, they shall select one of them represent them in exercising the rights relating to the share. These persons shall be jointly liable for the obligations arising from the share ownership. Shares may not be issued for a value less than their nominal value, but they may be issued for a higher value. In this case, the difference in value shall be prescribed in a separate provision within shareholders' rights.

### **Article (12): Shares Trading & Shareholders' Record:**

Companies' shares are traded as per provisions of Financial Market Law and its implementing regulations.

### **Article (13): Increasing the Capital:**

1. Upon a resolution of the company's board of directors, the issued capital may be increased within the limits of the authorized capital (if any), provided that the issued capital has been paid in full.
2. The Extraordinary General Assembly may decide to increase the issued or authorized capital of the company, provided that the issued capital has been paid in full. It is not required that the capital be paid in full if the unpaid part of the capital belongs to shares issued against the transfer of debt



instruments or deeds. financing to shares and the period specified for their conversion has not expired.

3. In all cases, the extraordinary general assembly may allocate the shares issued for the capital increase or part thereof to the employees of the company and all or some of its subsidiaries, and the shareholders may not exercise the right of priority when the company issues shares allocated to the employees.
4. The shareholder who owns the share at the time of issuance of the resolution of the extraordinary general assembly approving the increase of the issued or authorized capital has priority in subscribing to new shares that are issued in exchange for cash shares. Its beginning and its end.
5. The Extraordinary General Assembly shall have the right to suspend the priority right of shareholders in subscribing to the capital increase in exchange for cash shares, or to grant the priority right to non-shareholders in cases it deems to achieve the interest of the company.
6. The shareholder shall have the right to sell or assign the priority right in accordance with the applicable regulations and controls set by the competent authority.
7. Subject to the provisions of Paragraph (1) above, the new shares shall be distributed among the preemptive rights holders who requested subscription, in proportion to the preemptive rights held by them of the total preemptive rights resulting from the capital increase, "provided that what they get does not exceed what they asked for from the new shares." In proportion to the preemptive rights, they own from the total preemptive rights resulting from the capital increase, "provided that what they get does not exceed what they asked for in terms of new shares." And the remaining shares are offered to third parties, unless The Extraordinary General Assembly decides or the financial market law stipulates otherwise.

**Article (14): Decreasing the Capital:**

The Extraordinary General Assembly may decide to reduce the company's capital if it exceeds the company's need or if it suffers losses. In the latter case alone, the capital may be reduced to less than the limit stipulated in Article (59) of the Companies Law. The resolution to reduce is not issued except 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 the fulfillment of its duties. The statement is accompanied by a report from the company's auditor.

And if the capital reduction is a result of its excess to the company's need. The creditors must be invited to express their objections (if any) to the reduction at least forty-five (55) days prior to the date set for the Extraordinary General Assembly meeting to take a resolution, provided that the invitation is accompanied by a statement showing the amount of the capital before and after the reduction, the date of the meeting and the effective date of the reduction. If one of the creditors objects and submits his documents to the company on the aforementioned date, the company must pay him his debt if it is due, or provide him with sufficient guarantee to pay it if it is deferred.

**Article (15): The Company Purchase and Mortgage of its Shares:**

1. The company may purchase or mortgage its shares in accordance with the applicable regulations and controls set by the competent authority. The shares purchased by the company shall not have votes in the shareholders' assemblies.

The company may buy its shares to allocate them to employees, taking into account the controls set by the competent authorities for the company's purchase of its shares, and after obtaining the approval of The Extraordinary General Assembly. This Assembly shall have the right to authorize the Board of Directors to determine the conditions for this allocation of employees, including the allocation price for each share offered to the employees, if it is for a remuneration.



2. Shares may be mortgaged in accordance with regulations set by the competent authority, and the mortgagee shall have the right to receive the profits and use the rights related to the share, unless otherwise agreed in the mortgage contract. However, the mortgagee may not attend the meetings of the general assembly of shareholders or vote therein.

**Article (16): Obligations of Shareholders:**

Subscribing and holding the company's shares requires the shareholder's acceptance of the company's statute and his commitment to the resolutions issued by the general assembly in accordance with the provisions of the companies' statute, whether he is present or absent, whether he accepts these resolutions or not.

**Article (17): Shareholder rights:**

Shares shall have equal rights and obligations. The shareholder shall have all the rights related to the share, especially the right to obtain a share of the net profits to be distributed, obtain a share of the company's assets upon liquidation, attend shareholders' assemblies, participate in its deliberations and vote on its resolutions, dispose of shares, request access to the company's books and documents, monitor the work of the Board of Directors, file a liability lawsuit against the Board Directors, and to challenge the invalidity of the shareholders' assemblies resolutions, according to the conditions and restrictions stipulated in the Law or the company AoA.

**Article (18): Issuing Deeds & Instruments:**

The company may issue negotiable debt instruments or financing instruments under the applicable laws and regulations set by the competent authority.

**Chapter (3) Board of Directors**

**Article (19): The Company Management:**

The company is managed by a board of directors consisting of nine (9) members, provided that they are of natural capacity to be elected by the ordinary general assembly for a period not exceeding four (4) years, and Board directors may be re-elected for other sessions according to the procedures for election and candidacy based on the applicable regulations. and controls set by the competent authority.

Each shareholder shall have the right to nominate himself or another person or more from the shareholders or others for the membership of the Board of Directors of the company.

**Article (20): The Board Membership Termination:**

1. The membership of any of Board directors ends by virtue of a resolution of the General Assembly to dismiss him, or the expiration of his term, or the expiration of the member's validity in accordance with any law or instructions in force in the Kingdom.
2. The Ordinary General Assembly may, at any time, dismiss all or some of Board directors, and in this case the General Assembly shall elect a new Board of Directors or someone to replace the member (as the case may be) in accordance with the provisions of the Companies Law and its Implementing Regulations. The General Assembly may, upon a recommendation from the Board of Directors, terminate the membership of any member who fails to attend (3) consecutive meetings or (5) separate meetings of the Board without a legitimate excuse accepted by the Board.

**Article (21): The Board Term Expiry, Retirement of Its Members & Membership Vacancy:**

1. The Board of Directors shall call the Ordinary General Assembly to convene well before the end of its session to elect a board of directors for a new term. If the election cannot be held and the term of the current board has ended, its members shall continue to perform their duties until the board of directors is elected for a new term, provided that the period of continuation of Board directors whose term ended shall not exceed (90) ninety days from the date of the end of the term of the board. The



Board of Directors shall take the necessary measures to elect a Board of Directors to replace it before the expiry of the continuity period specified in this paragraph.

2. If the chairman and members of the Board of Directors retire, they must call the Ordinary General Assembly to convene to elect a new Board of Directors. Take the necessary measures to elect a board of directors to replace it before the continuity period specified in this paragraph expires.
3. Board director may retire from the membership of the Board by means of a written notification addressed to the Chairman of the Board. If the Chairman of the Board resigns, the notification must be directed to the remaining members of the Board and the Secretary of the Board, and the retirement is effective in both cases - from the date specified in the notification.
4. If the position of Board director becomes vacant due to the death or retirement of any of its members, and this vacancy does not result in a breach of the conditions necessary for the validity of the meeting of the Board due to the fact that its members are less than the minimum, then the Board may appoint a temporary member in the vacant position, who has sufficient experience and qualifications, provided that he is notified The competent authorities within fifteen (15) days from the date of appointment, and that the appointment be presented to the Ordinary General Assembly in its first meeting, and the appointed member completes the term of the member precedent to him.
5. If the necessary conditions for the validity of the meeting of the Board of Directors are not met due to the decrease in the number of its members from the quorum required for the validity of its meetings (5) five members, the rest of the members must invite the Ordinary General Assembly to convene within sixty (60) days to elect the necessary number of members.

**Article (22): The Powers of The Board:**

Subject to the competencies prescribed for the General Assembly, the Board of Directors shall have the widest powers in managing the company in a way that achieves its objectives, and it may, for example, but not be limited to: -

Acquisition of a share of a company or other companies inside or outside the Kingdom and the completion of all necessary legal procedures.

Selling or buying shares of listed and unlisted companies to other companies, receiving the price, receiving profits, subscribing to investment funds, and transferring from the investment portfolios account to the company's bank accounts.

Dealing with all banks, banks and financial institutions in opening accounts of all kinds, closing and managing them, signing what is necessary for that, transferring, withdrawing and depositing amounts in local and foreign currency, opening documentary credits and receiving their documents, issuing letters of guarantees of all kinds and unlocking them, editing, signing and endorsing papers and other commercial documents, requesting and receiving account statements and check books and signing them. Issuing certified checks and any other documents related to managing, operating and closing the company's accounts, transferring between them, using electronic services and what is related to secret numbers, authorizing their receipt and operation, and adding or removing authorized signatories at banks.

Holding loans with government finance funds and institutions and commercial loans whose terms do not exceed the end of the company's term, provided that the following conditions are taken into account with regard to commercial loans the terms thereof exceed three years:

The Board of Directors shall specify in its resolution the aspects of using the loans and the method of their repayment.

To take into consideration, in the terms of the loan and the guarantees provided to him, that no harm will be caused to the company and its shareholders, as well as the general guarantees of the creditors.



The Board of Directors shall have the right to manage and invest the company's immovable and movable assets, sell, buy, mortgage, release mortgage, lease, rent and empty them, and perform all actions that help achieve the company's objectives and interest in accordance with the following conditions:

The Board shall determine the reasons and justifications for the sale resolution.

The sale should be comparable to the similar price.

That the sale be present, except in cases estimated by the Board and with sufficient guarantees.

That this action does not result in the cessation of some of the company's activities or burden it with other obligations.

The Board of Directors, and in cases it deems appropriate, to discharge the debtors of the company from their obligations in accordance with what serves its interest, provided that the minutes of the Board of Directors and the reasons for its resolution include the following conditions: -

The release shall be for a specific amount as a maximum per year for one debtor.

Exoneration is the right of the Board, and it is not permissible to delegate it.

The board of directors may conclude all types of contracts, agreements, concessions, assign the company's rights to third parties, the right to present and contract loans, and provide guarantees and guarantees on behalf of subsidiaries and sister companies or third parties. He may also form a committee or committees from among its members or others to assist him in the performance of his duties, and he may also undertake every action that falls within the purpose of the company, and he may represent the company before the judiciary and undertake cases as a plaintiff or defendant and take all measures related to this matter and the implementation of judgments.

Within the framework of the Board's commitment to exert sufficient care in order to achieve the objectives of the company and take care of its interests in accordance with the provisions of this Articles of Association and the regulations in force in the Kingdom, it may and in this regard do the following: -

Taking the necessary procedures and resolutions to invest the company's projects in the best way within the limits of its objectives and work on its development.

Issuing all the regulations and instructions necessary to manage the company and setting up the necessary regulations and formations for it, with defining the powers.

Develop laws and controls for internal control and general supervision thereof, including: -

Developing a written policy that regulates conflicts of interest and handling possible cases of conflict for each of Board directors, executive management, employees and shareholders, including misuse of the company's assets and facilities, and misconduct resulting from dealings with related persons.

Ensure the integrity of the financial and accounting laws, including those related to the preparation of financial reports.

Ensuring the application of appropriate control laws for risk management, by defining the general perception of the risks that the company may face and presenting them transparently.

Annual review of the effectiveness of internal control procedures in the company.

Enabling company's employees to transfer and inform their information indicating the existence of irregular and unethical practices in company's work that lead to prejudice to the interests and company reputation.

Supervising the company's work progress on an ongoing and regular basis and monitor those who carry out the management and those who represent the company who are authorized to do any work, each within the limits of his powers.

Submitting to the company's auditor the books, documents and papers of the company and all that is necessary to enable him to perform his mission.

The Board of Directors may propose to the Ordinary General Assembly deduction of amounts from the net profits to establish social institutions for the company's employees or to assist the existing ones, and this assembly shall have the right to decide in this regard.

The Board of Directors may authorize or delegate on its behalf, within the limits of its power, one or more of its members or third parties to take a specific action or act, or to perform a specific action or actions, with the right of the Board to withdraw or revoke it, upon its own discretion.

It is conditioned that the Board of Directors shall obtain the approval of the General Assembly when selling assets of the company whose value exceeds fifty percent (50%) of the value of its total assets, in accordance with the controls mentioned in the Companies Law and its implementing regulations.

**Article (23): The Board Members' Remuneration:**

The Board of Directors' Members shall be entitled to obtain remuneration in their capacity as members of the Board of Directors in accordance with the terms and conditions approved by the Ordinary General Assembly from time to time and within the limits stipulated by the Companies Law or any other laws or resolutions complementary thereto.

Board director may also obtain remuneration for any executive, technical or administrative work or positions assigned to him in the company, in addition to the remuneration he receives in his capacity as Board director and in the committees formed by the Board of Directors in accordance with the Companies Law, the company AoA, and approved regulations and policies.

Board of Directors report to the Ordinary General Assembly at its annual meeting must include a comprehensive statement of all that each Board Director received or deserved to receive during the fiscal year in terms of remuneration, attendance allowances, expenses allowances, and other benefits, and it should also include a statement of what he received. The Board members in their capacity as workers or administrators or what they have received in return for technical or administrative work or consulting. It should also include a statement of the number of Board sessions and the number of sessions attended by each member.

It is also permissible to grant a special additional reward to each of the Chairman of the Board of Directors and the Managing Director in addition to the remuneration prescribed for Board directors, as decided by the Board of Directors.

**Article (24): The Powers of The Chairman, Vice-Chairman, Managing Director & Secretary:**

**A. Chairman**

At its first meeting, the Board shall appoint a Chairman from among its members. It is not permissible to combine the position of Chairman of the Board of Directors with any executive position in the company. He shall have the right to call the Board to convene, and he shall chair the meetings of the Board of Directors as well as the meetings of the General Assemblies.

The chairman of the board of directors or whomever he delegates represents the company before third parties and before all government and private authorities, bodies and agencies, and he has, for example, but not limited to, claiming, filing lawsuits, pleading, defending, acknowledging, denying, conciliating, exonerating, arresting, waiving, requesting an oath, returning it, refraining from it, appealing for forgery, requesting attachment, executing judgments, reviewing the enforcement departments, and requesting prevention. From traveling, raising it, arbitration, appointing and dismissing experts and arbitrators, appealing to their reports, objecting to rulings and appealing them, seeking reconsideration, receiving instruments of rulings, returning judges, completing all that is necessary to attend sessions in all cases, before all courts, judicial bodies, administrative courts, labor courts, settling financial disputes, settling banking disputes, commercial papers and customs committees Commercial fraud, Public Prosecution, Police, Civil Rights, Criminal and Administrative Investigations, and Civil Defense.

He shall have the right to represent and sign on behalf of the company and conclude all types of contracts before SIDF, HRDF, Central Bank of Saudi Arabia, MAWANI, Ministry of Investment, SASO, MODON, ZATCA, Water & Electricity Regulatory Authority (WERA), Saudi Exports Development Authority "SAUDI EXPORTS", General Authority for Competition, Royal Commission for Makkah City and Holy Sites (RCMC), MPDA, Jeddah Development Authority, Saudi Electricity Company, NWC, insurance companies, chambers of commerce, GOSI, secretariats and sub-municipalities.

He shall have the right to sign the companies' incorporation contracts and any amendments that may occur to them of any kind, before notaries, review the chambers of commerce and commercial records departments, renew and receive them, register trademarks, represent the company before the Capital Market Authority and sign before it.

He shall have the right to represent the company before the Ministries of Foreign Affairs, Defense, National Guard, Trade, Investment, Finance, Human Resources, Social Development, Municipal and Rural Affairs, Housing, Culture, Media, Environment, Water, Agriculture, Energy, Industry, Mineral Resources, Communications, Information Technology, Justice, Interior, Economy, Planning, Transportation and Logistics.

He shall have the right to represent the company and sign for it before passports and labor offices in all matters related to residency, visas, notifications, permits and issuance of documents without any restriction or condition.

He may sign on behalf of the company before the notaries in all of the above and everything that achieves the objectives and interests of the company, and he shall have the right to appoint others and lawyers under legitimate agencies in any of the above and dismiss them, and he also has the authority to authorize any of the aforementioned.

He also performs all tasks entrusted to him by the Board and the Articles of Association of the company as well as the regulations in force in the Kingdom of Saudi Arabia. The Chairman of the Board of Directors receives an additional remuneration for his services and his presidency of the Board of Directors in accordance with Article (81) of Companies Law.

**B. Vice-Chairman:**

In its first meeting, the Board shall appoint a Vice-Chairman from among its members to replace the Chairman of the Board of Directors in his absence, in accordance with the powers and powers determined by the Board, taking into account that it is not permissible to combine the position of Chairman of the Board of Directors with any executive position in the company.

**C. Managing Director:**

The Board of Directors may appoint a Managing Director from among its members, and the Board may also appoint from among its members or from third parties a CEO for the company, provided that he shall not be the Chairman or his deputy. The Board determines the terms of reference of the Managing Director and the Chief Executive Officer and their remuneration.

**D. Secretary:**

The Board of Directors shall appoint a secretary to be chosen from among its members or from others, and determine his terms of reference and remuneration.

The term of the chairman, his deputy, the managing director, and the secretary, Board director, shall not exceed the membership of each of them in the Board, and they may be re-elected, and the Board may at any time dismiss them or any of them without prejudice to the right of the dismissed to compensation if the dismissal occurred for an illegal reason or at an inappropriate time.



**E. Signing on behalf of the company:**

The right to sign on behalf of the company alone shall be vested in the Chairman of the Board of Directors, as well as each member delegated by the Board for this purpose, each within the limits of his powers entrusted to him and under an authorization from the Board of Directors.

**Article (25): The Board Meetings:**

1. The Board of Directors meets at least (four times) a year at the invitation of its chairman, and the invitation is in writing and may be delivered by hand or sent by regular mail, certified electronic mail, or other means of communication accompanied by the agenda.
2. The chairman of the Board shall invite the Board to a meeting whenever requested to do so in writing by any member of the Board to discuss any subject or more.
3. The Board convenes at the company's headquarters, and it may also convene outside the company's headquarters. It is also permissible to hold exceptional meetings of the company's board of directors outside the Kingdom of Saudi Arabia if the company has special circumstances that allow this exception.
4. The Board meetings may be held using modern technology such as the telephone or any other electronic means that allows all non-present members to be heard by all other members present, unless otherwise notified. The chairman may consider - in order to determine the quorum - any participating member by means of phone or via other electronic means, present all during the meeting.

**Article (26): The Board Meeting Quorum & Its Resolutions:**

1. The meeting of the Board shall not be valid unless attended by at least five members (personally or by an authorized representative).
2. Board director may delegate, when necessary, one of his colleagues in the Board, and in this case this member shall have two votes, and a member of the Board may not represent more than one member, and the delegation must be confirmed in writing, and sent to the company by handing over or by e-mail. The deputy may vote on resolutions that the representative is prohibited from voting on.
3. Board director may participate in the meeting of the Board of Directors by telephone, group video, or any electronic means available to all members of the Board to communicate through it at the same time, and such participation is considered attendance at the meeting.

**The Board Resolutions:**

The resolutions of the Board of Directors shall be issued by the majority of the votes of the members present and represented.

The resolutions of the Board of Directors shall be effective from the date of its issuance, unless it is stipulated that it will be effective at another time or when certain conditions shall be fulfilled.

**Article (27): Issuing Board Resolutions in Urgent Matters:**

The Board of Directors may issue its resolutions on urgent matters by presenting them to all members by passing, unless one of the members requests, in writing, to hold a meeting of the Board for discussing it. These resolutions shall be issued upon their approval, with the approval of the majority of its members' votes, and these resolutions shall be considered valid if signed by the majority of the members, and these resolutions shall be presented to the Board at its first subsequent meeting in order to record them in the minutes of that meeting.

**Article (28): The Board Discussions & Its Minutes of Meetings:**

1. The discussions and resolutions of the Board shall be recorded in minutes prepared by the secretary and signed by the chairman of the meeting, the attending members of the board of directors, and the secretary.
2. These minutes shall be recorded in a special register signed by the Chairman of the Board and the Secretary.

3. It is permissible to use modern technology to sign, record discussions and resolutions, and record minutes.

#### **Chapter (4): Shareholders' Assemblies**

##### **Article (29): Attendance of Meetings:**

Each shareholder is entitled to attend the General Assembly. He is entitled to authorize another person who is neither a member to the Board nor personnel of the Company to attend. For accepting such authorization regarding the attendance of the meetings of General Assembly of Shareholders the controls regulating the authorization of attending the meetings of General Assembly of Shareholders issued by the competent entities shall be fulfilled. The meetings of the General Assembly of Shareholders may be held and the shareholder may participate in its deliberations and voting concerning its resolutions by the modern technological means according to the controls set by the competent authority.

##### **Article (30): Competencies of the Ordinary General Assembly:**

Except for the matters authorized to the Extraordinary General Assembly, the Ordinary General Assembly shall be competent with all matters relating to the Company. It shall be held once at least during the first six months following the expiration of the fiscal year of the company. Other ordinary general assembly meeting may be invited and held, if needed, especially for the following matters:

1. Electing and removing Board members.
2. Appointing an auditor or more of the Company according to the requirements of the law, determining its remuneration, reappointing and removing it.
3. Reviewing and discussing the report of the Board.
4. Reviewing and discussing the financial statements of the Company.
5. Discussing the auditor's report, if any, and taking the resolution in this regard.
6. Determining the proposals of the Board regarding the method of distributing the profits.
7. Forming the reserves of the Company and determining the methods of their use.

##### **Article (31): Competencies of the Extraordinary General Assembly:**

The Extraordinary General Assembly shall be competent with the following:

1. Amendment of the Articles of Association of the Company except matters relating to the following:
  - a. Depriving the shareholder or amending any of its main rights given thereto in its capacity as a shareholder. This is subject to the nature of the rights relating to the kind and class of the shares owned to the shareholder, especially the following:
    1. Obtaining a portion of the profits decided to be distributed, whether the distribution is in cash or through the issue of free of charge shares for the personnel of the Company and its affiliates.
    2. Acquiring a portion in the net assets of the Company upon liquidation.
    3. Attending the ordinary and extraordinary General Assembly meetings, participating in its deliberations and voting concerning its resolutions.
    4. Disposing of the shares except according to the provisions of Law.
    5. Requesting the review of the records and documents of the Company, monitoring the works of the Board, raising the responsibility case to the Board members and appealing against the invalidity of the resolutions of ordinary and extraordinary General Assembly of Shareholder meetings.
  - b. Amendments causing the increase of the financial burdens of the shareholders, unless all shareholders approve the same.
2. Reporting of the continuation or dissolution of the Company.
3. Approval of the purchasing by the Company of its shares.

The Extraordinary General Assembly shall, in addition to the competencies established to it by virtue of the provisions of Law, issue the resolutions regarding the matters within the competencies of the Ordinary General Assembly according to the same conditions and requirements established by the Ordinary General Assembly.

**Article (32): Invitation for Assembly Meeting:**

The Ordinary General Assembly meeting shall be held each year during the six months following the end of the fiscal year of the Company at the place, day and times determined in the notice of the invitation for the meeting. The Board may invite another Ordinary General Assembly meeting for being held whenever it finds that this is required.

The Board shall invite Ordinary General Assembly for meeting if so, is requested by an auditor or auditing committee or number of shareholders representing ten percent (10%) of the Company shares having the voting rights as a minimum. The auditor may invite the Ordinary General Assembly for meeting if the Board does not invite the Ordinary General Assembly for meeting within thirty days from the date of the request of the auditor.

**Article (33): Publication of the Invitation:**

The invitation for the general assembly meeting shall be published twenty-one days at least before the date determined for meeting. The invitation shall be published in the website of the Capital Market Authority and website of the Company. In addition, the Company may direct the invitation for holding the general and special assembly meetings to its shareholders using the modern technological means.

The Company may amend its agenda during the period as of publishing the referred to publication referred to hereinabove according to the conditions established in this Article.

**Article (34): Quorum of the Ordinary General Assembly Meeting:**

The holding of the Ordinary General Assembly may not be valid except if it is attended by shareholders representing a quarter of the shares having voting right at least. If the quorum necessary for holding the meeting is not met, an invitation shall be directed for a second meeting to be held according to the same conditions provided for in Article Ninety-One (91) of the Companies Law during thirty (30) days following the previous meeting. However, the second meeting may be held after one hour from the end of the term determined for holding the first meeting, if the invitation for the first meeting shall include a note that such second meeting may be held in such a way. In all cases, the second meeting shall be valid whatever the number of the shares having voting rights represented in it.

**Article (35): Quorum of the Extraordinary General Assembly Meeting:**

The holding of the Ordinary General Assembly may not be valid except if it is attended by shareholders representing half of the shares having voting right at least. If the quorum necessary for holding the meeting is not met, an invitation shall be directed for a second meeting to be held according to the same conditions provided for in Article Ninety-One (91) of the Companies Law. However, the second meeting may be held after one hour from the end of the term determined for holding the first meeting, if the invitation for the first meeting shall include a note that such second meeting may be held in such a way. In all cases, the second meeting shall be valid if it is attended by shareholders representing a quarter of the shares having voting right as a minimum.

If the quorum necessary for holding the second meeting is not met, an invitation shall be directed for a third meeting to be held based on the conditions provided for in Article Ninety-One (91) of the Companies Law. The third meeting shall be valid whatever the number of the shares having voting rights represented in it.

**Article (34): Voting during the Assembly Meetings:**

1. Each shareholder shall have a vote for each share in the General Assembly meeting. The accumulative voting shall be used during the election of the Board so that the voting right cannot be used for more

than one time. The voting in the General Assembly meeting shall be limited to the item of the agenda indicated by the Company or to the nominees to the membership of the Board whose details are clarified by the Company.

2. The Board members shall participate in the voting for the resolution of the Assembly relating to the works and contracts in which they have direct or indirect interest and involving conflict of interests.

**Article (37): Resolutions of the Assembly Meetings:**

1. The resolutions during the Ordinary General Assembly shall be issued by majority of the voting rights represented in the meeting.
2. the resolution of the Extraordinary General Assembly meeting shall be issued by the majority of two thirds of the voting rights represented in the meeting. This shall be applicable except if the resolution is relating to the increase or reduction of the capital, extension of the term of the Company, dissolution thereof before the expiration of the term determined in the Articles of Association, merger of it into another company or its division to two companies or more. The said resolution shall not be valid except if it is issued by a majority of three quarters of the voting rights represented in the meeting.
3. The Board shall register by the competent Commercial Register Office the resolutions of the Extraordinary General Assembly determined by the Regulations during (fifteen) days from their issue.

**Article (38): Discussion during the Assembly Meetings:**

1. The Board shall, upon preparing an agenda of the General Assembly, take into account the issues desired to be listed by the shareholders. A shareholder or more (representing ten percent) of the shares of the Company having the voting rights as a minimum may add one issue or more to the agenda upon preparing it. The competent authority is entitled to amend this percentage.
2. Each shareholder shall have the right to discuss the matters listed in the agenda of the General Assembly and direct the questions as to the same to Board directors and auditor. The Board or auditor shall answer the questions of the shareholders to the extent that does not cause harm to the Company. If the shareholder finds that the answer to the question thereof is not convincing, it shall refer to the General Assembly meeting and the resolution thereof in this regard shall be effective.

**Article (39): Chairman of the Assembly Meetings and Preparation of Minutes:**

1. The meeting of the General Assembly of shareholders shall be chaired by the Board or deputy Chairman upon the absence thereof or representative of the Board from the members thereof for such purpose. If this is impossible, the General Assembly meeting shall be presided by the Board member of third parties delegated by the shareholders by voting.
2. Minutes shall be concluded regarding the meeting including the number of shareholders attending or represented, number of shares at the possession thereof in person or by a proxy, number of votes established therefor, resolutions taken and number of votes accepting or rejecting the same. In addition, a complete summary of the discussions made during the meeting shall be submitted.
3. The minutes shall be regularly recorded after each meeting in a special register signed by the meeting Chairman, secretary and vote counters.

**Chapter (5): Auditor**

**Article (40): Appointment of Auditor:**

1. The Company shall have an auditor (or more) from the audits authorized to work in KSA appointed, its remuneration, term and scope of work shall be determined by the Ordinary General Assembly. Such auditor/s may be reappointed and the Regulations shall determine the maximum number for the term of work of the auditor.



2. By virtue of the resolution of the General Assembly, the auditor may be removed. The Board Chairman shall notify the competent authority of the removal resolution and its cases during five (5) days as a maximum from the issue of the resolution.
3. The auditor may retire from its duty by a written notice submitted by it to the Company. Its duty shall end from the date on which it submits the same or later on as determined in such notice. This is without prejudice to the right of the Company to compensation against the damage caused to it, if required. The retired auditor shall submit to the Company and competent authority, upon providing the said notice, a statement of the causes of its retirement. The Board shall invite the General Assembly for meeting for considering the causes of retirement, appoint another auditor and determine its remuneration, term and scope of work.

**Article (41): Competencies of the Auditor:**

The auditor shall at any time review the documents, accounting records and supporting data of the Company. The auditor may also ask for the statement and clarifications required to be obtained by it as being necessary to verify of the assets of transformation and obligations thereof and otherwise within the scope of its work.

The Board shall enable the auditor to conduct its task. If the auditor faces a difficulty in this regard, it shall indicate the same in a report presented to the Board. If the Board does not facilitate the work of the auditor, it shall ask the Board to invite the Ordinary General Assembly meeting for considering the matter. The auditor may direct the invitation if it is not directed by the Board during thirty (30) days from the date of the request of the auditor.

**Chapter (6): Company Accounts and Distribution of Dividends**

**Article (42): Fiscal Year:**

The fiscal year of the Company shall commence on the first of January and expire on the 31st of December of each Georgian year.

**Article (43): Financial Documents:**

1. The Board shall for each fiscal year of the Company prepare the financial statements of the Company and report about its activity and financial position for the lapsing year. This report shall include the way suggested for distributing the profits. The Board shall set such documents under the disposal of the auditor forty-five days at least before the date determined for holding the General Assembly.
2. The Board Chairman, CEO, CFO of the Company shall sign the documents. A copy thereof shall be filed into the main office of the Company at the disposal of the shareholders.
3. The Board Chairman, or its representative or delegate shall provide the shareholders with the financial statements of the Company, report of the Board after being signed and report of the auditor, unless the same is published through the notification mean approved by the competent authority. This shall be twenty-one at least days before the date determined for holding the General Assembly meeting. It shall also deposit such documents according to the Implementing regulations of the Companies Law. The documents and financial records shall be kept according to the relevant laws and regulations.

**Article (44): Formation of Reserves and Profit Distribution:**

1. The General Assembly may at the suggestion of the Board allocate certain percentage of the net profits for forming reserve allocated for the purposes determined by the General Assembly. The competent authority is entitled to set the controls of forming the reserves.
2. The Ordinary General Assembly shall, upon determining the portion of the shares in the net profits and at the suggestion of the Board, decide forming other reserves to the extent achieving the interest of the Company or guaranteeing the distribution of fixed profits as possible among the shareholders.





The said Ordinary General Assembly may deduct from the net profits amounts for establishing social corporations for the personnel of the Company.

3. The reserve shall not be used except by the resolution of the Extraordinary General Assembly. If this reserve is not allocated for a certain purpose, the Ordinary General Assembly may at the suggestion of the Board decide to use such reserve for the interest of the Company or shareholders. The competent authority shall place the controls of using the reserves.
4. The Ordinary General Assembly may, at the suggestion of the Board, use the remaining profits and distributable reserves for paying the remaining amount of the amount of share or part of it. This shall not cause prejudice to the justice between the shareholders according to the provisions of law.
5. The General Assembly shall, at the suggestion of the Board, determine the percentage to be distributed among the shareholders of the net profits after deducting the reserves, if any.
6. The shareholder is entitled to its portion of the profits according to the resolution of the General Assembly issued in this regard. The resolution shall determine the date of entitlement and date of distribution. The entitlement to the profits to the share owners registered in the record of shareholders by the end of the day the determined for entitlement. The Regulations shall determine the maximum term during which the Board shall enforce the resolution of the General Assembly regarding the distribution of the profits among the shareholders.
7. The Company may distribute progressive profits among its shareholders on semi-annual or quarterly basis based on the recommendation of the Board after fulfilling the controls and requirements set by the competent entities in this regard.

**Article (45): Profit Entitlement:**

A shareholder shall be entitled to a profit portion as per the resolution of the general assembly issued in this regard. The said resolution shall indicate the date of entitlement and date of distribution. The entitlement of profits shall be to the owners of the shares registered in shareholders register by the end of the date determined for the entitlement. The Board shall enforce the resolution of the General Assembly regarding the distribution of the profits among the shareholders during the term determined as per the Companies Law and Implementing regulations thereof.

**Chapter (7): Disputes**

**Article (46): Liability Case:**

1. The Company shall have the right to file a Liability case against Board directors due to the violation of the provisions of the Companies Law or AoA or faults, ignorance or default in conducting their works made by them and resulting in damages to the Company. The General Assembly or shareholders shall decide to file this case and appoint the representative of the Company that shall undertake the same. If the company is in the process of being liquidated, the liquidator shall file the case. If any of the liquidation procedures are initiated against the Company according to the Liquidation Law. This case shall be brought up by the one legally representing the Company.
2. A shareholder or more representing (5%) five percent of the company's capital may file a liability case for the Company in case the Company fails to file the same. It must be taken into account that the main objective of filing the case is to achieve the interests of the company, that the case is based on a valid basis, and that the case is filed in good faith by the plaintiff, who must be a partner or shareholder in the company at the time of filing the case.
3. In order to file the case referred to in Paragraph (2) of this Article, the Board Directors shall be notified of the intention to file the case at least (14) fourteen days prior to the date of its filing.
4. A shareholder may file a personal case against the Board Directors if the mistake they made may cause him personal harm.



5. The competent judicial authority has the right, at the request of the shareholder, to charge the company with the expenses incurred by the same to file a liability case, whatever its outcome, if the case is filed in good faith and it is in the interest of the company to file the stated.

#### **Chapter (8): Company Termination and Liquidation**

##### **Article (47): Company Termination:**

The Company shall be terminated by one of the termination causes included in Article Two hundred and Forty-Three (243) of the Companies Law. After termination, the Company shall be liquidated according to the provisions of Section Twelve (12) of the Companies Law. If the Company is terminated and its shares are not sufficient for paying its debts or it is insolvent according to KSA Bankruptcy Law, the company shall apply to the competent judicial authority to initiate any of the liquidation procedures under KSA Bankruptcy Law.

#### **Chapter (9): Concluding Provisions**

##### **Article (48):**

1. The Company shall be subject to the laws applicable in the Kingdom of Saudi Arabia.
2. Any provision contradicting the provisions of the Companies Law in this AoA shall not be considered and the provisions of the Companies Law shall be applied in respect thereof. In cases where no provision is made herein, the Companies Law and Implementing Regulations thereof shall apply.

##### **Article (49):**

This AoA shall be deposited and published as per the Companies Law and implementing regulations thereof.