

**Articles of Incorporation of Basic Chemical Industries
Corporation
(A Saudi listed joint stock company)**

Chapter One: Establishing the company

Article 1: Establishment:

A Saudi joint stock company shall be established in accordance with the provisions of the Companies Law and its bylaws, according to the following:

Article 2: The name of the company

Basic Chemical Industries Company (a Saudi Joint Stock Company).

Article 3: The Company's Objectives

The company performs the following purposes:

1. Production of hydrochloric acid, caustic soda, chlorine gas, sodium hydrochloride and ferric chloride.
2. Chemicals for treating concrete and cleaning agents for various purposes.
3. Hot and cold adhesives.
4. The activity of maintenance and operation of projects and factories.
5. Manufacture of metal surface treatment materials.

The company carries out its activities according to the followed regulations and after obtaining the necessary licenses from the competent authorities, if any.

Article 4: Participation and ownership in companies

The company may have an interest, or participate in a percentage not exceeding 20% of its capital with agencies or companies that carry out activities similar to its own or that may help it to achieve its purpose. It may also own shares or stakes in other existing companies, merge, merge with, or buy.

It should also have an interest or share with other companies that does not exceed 20% of its free reserves and does not exceed 20% of the capital of the company in which it participates, and that the total of these shares does not exceed the value of these reserves with the notification of the Ordinary General Assembly at its first meeting.

The company may also establish companies alone (with limited liability or closed shareholding) provided that the capital is not less than (5) million riyals. It may also own shares and stakes in other existing companies or merge with them and have the right to participate with others in establishing joint-stock or related companies. Limited liability, after fulfilling the requirements of the applicable regulations and instructions in this regard. The company may also dispose of these shares or stakes, provided that this does not include brokerage in its trading.

Article of Incorporation**Article 5: The head office of the company**

The main site of the company is in the city of Dammam, Kingdom of Saudi Arabia, and the board of directors may establish branches, offices or agencies for it inside and outside the Kingdom of Saudi Arabia.

Article 6: The term of the company

The term of the company shall be (99) ninety nine Gregorian years starting from the date of issuance of the decision of the Minister of Commerce and Industry announcing its transfer. The term of the company may always be extended by a decision issued by the extraordinary general assembly at least one year before its deadline.

Chapter Two: Capital and Shares**Article 7: Capital**

The company's capital has been determined at an amount of two hundred seventy five million (275,000,000) Saudi riyals, divided into twenty seven million five hundred thousand (27,500,000) cash shares of equal value. The nominal value of each share is ten (10) Saudi riyals. Payment of its value in full by the partners in the company.

Article 8: Subscription to shares

The founders and shareholders have subscribed to all the shares of the company and paid their value in full

Article 9: Preferred Stock

The extraordinary general assembly of the company, according to the principles laid down by the competent authority, may issue preferred shares or decide to buy them or convert ordinary shares into preferred shares or convert preferred shares into ordinary shares in accordance with the regulations of the Ministry of Commerce and Investment. Preferred shares do not give the right to vote in the general assemblies of shareholders. These shares give their owners the right to obtain a greater percentage of the owners of common shares than the net profits of the company after setting aside the statutory reserve.

Article 10: Selling shares of unpaid value

The shareholder is obligated to pay the value of the share on the dates specified for that, and if he fails to pay the due date, the board of directors may, after notifying him by publishing in a daily newspaper or notify him by a registered letter at his address fixed in the shareholders' register, sell the share in the public auction or the stock market as the case According to the controls specified by the competent authority.

The company shall collect from the sale proceeds the sums owed to it and return the rest to the owner of the share. If the proceeds of the sale are not sufficient to meet these amounts, the company may collect the remainder of all the shareholder's funds.

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Nevertheless, a shareholder who fails to pay until the day of the sale may pay the value owed on him in addition to the expenses that the company has spent in this regard. The company cancels the sold share in accordance with the provisions of this article, and gives the buyer a new share bearing the number of the canceled share, and indicates in the stock register the occurrence of the sale with a statement of the shares of the new owner.

Article 11: Issuance of Shares

Shares are nominal and may not be issued at less than their nominal value. Rather, they may be issued at a higher value, and in this last case the difference in value is added in a separate item within the shareholders' equity. It may not be distributed as dividends to shareholders. The share is indivisible vis-à-vis the company, so if the share is owned by multiple persons, they must choose one of them to act on their behalf to use the rights related to it, and these persons shall be jointly responsible for the obligations arising from the ownership of the share.

Article 12: The Register of Shareholders

The company's shares are traded in accordance with the provisions of the Capital Market Law.

Article 13: Increasing the Capital

1. The extraordinary general assembly may decide to increase the capital of the company, provided that the capital has been paid in full. It is not required that the capital be fully paid if the unpaid portion of the capital is due to shares issued in exchange for converting debt instruments or financing instruments into shares and has not expired after the prescribed period for converting them into shares.
2. The extraordinary general assembly in all cases may allocate the shares issued when increasing the capital or part thereof to the employees of the company and its subsidiary companies or some of them, or any of that. Shareholders may not exercise the right of priority when the company issues shares allocated to employees.
3. The shareholder who owns the share at the time of the decision of the extraordinary general assembly to approve the increase in the capital, priority in subscribing to new shares issued in exchange for cash shares, and they inform them of their priority by publishing in a daily newspaper or by informing them by registered mail of the capital increase decision, the terms of the subscription, its duration and the date of its commencement And its expiration.
4. The extraordinary general assembly has the right to suspend the priority right for shareholders to subscribe to an increase in capital in exchange for cash shares, or to give priority to non-shareholders in cases it deems appropriate in the interest of the company.
5. The shareholder has the right to sell or waive the pre-emption right during the period from the time the General Assembly's decision to approve the increase in the capital is issued to the last day for subscribing for new shares associated with these rights, in accordance with the controls laid down by the competent authority.

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6. Subject to the provisions of Paragraph (4) above, the new shares shall be distributed to the holders of priority rights who have requested to subscribe, in proportion to the priority rights they own from the total priority rights resulting from the capital increase, provided that what they obtain does not exceed the shares they requested. The rest of the new shares shall be distributed to holders of priority rights who have requested more than their share, in proportion to the priority rights they own from the total priority rights resulting from the capital increase, provided that what they obtain does not exceed what they requested of the new shares, and the remainder of the shares shall be subtracted. On third parties, unless the extraordinary general assembly decides or the financial market system stipulates otherwise.

Article 14: Reducing the Capital

The extraordinary general assembly may decide to reduce the 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 54 of the Companies Law. The reduction decision shall not be issued except after reading a special report prepared by the auditor on the reasons for it, the obligations of the company, and the impact of the reduction on these obligations.

If the capital reduction is a result of an increase in the company's need, creditors must be called upon to express their objections to it within sixty days from the date of publishing the reduction decision in a daily newspaper distributed in the region in which the company's head office is located. 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 a guarantee sufficient to pay it if it is later.

Chapter Three: The Board of Directors**Article 15: Company management**

The management of the company shall be undertaken by a Board of Directors composed of (9) members elected by the Ordinary General Assembly of the shareholders for a period not exceeding three years, and they may be re-appointed for several terms.

Article 16: Termination of Membership in the Board of Directors

The membership of the board ends with the expiration of its term or the expiration of the member's validity according to any system or instructions in force in the Kingdom. Nevertheless, the Ordinary General Assembly may at all times dismiss all or some of the members of the Board of Directors without prejudice to the right of the dismissed member towards the company to claim compensation if the dismissal occurred for a reason other than It is acceptable or at an inappropriate time, and a member of the board of directors may retire provided that it is at an appropriate time, otherwise he will be responsible before the company for the damages resulting from his retirement.

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If the position of one of the members of the board of directors becomes vacant, the board may appoint a temporary member in the vacant position, provided that he is of those who have experience and sufficiency and must inform the Ministry of Trade and Investment as well as the Financial Market Authority within five working days from the date of appointment and the appointment shall be presented to the Ordinary General Assembly At its first meeting, the new member completes the term of his predecessor. If the necessary conditions for the meeting of the Board of Directors are not met due to the lack of the number of its members below the minimum stipulated in the Companies Law or this system, the rest of the members must invite the Ordinary General Assembly to convene within sixty days to elect the necessary number of members.

Article 17: Board Authorities

Subject to the competencies established for the General Assembly, the Board of Directors shall have the broadest Authorities in managing the company and managing its affairs inside and outside the Kingdom. It has, for example, but not limited to:

1. Arrest, payment, acknowledgment and seizure of the proceeds obtained from the execution of judgments.
2. Entering into tenders and signing, on behalf of the company, on all types of contracts, agreements, documents and documents, including without limitation contracts for the establishment of companies in which the company participates with all amendments to contracts for the establishment of companies in which the company is a partner and decisions of amendment, and to sign decisions that amend those Agreements, articles of incorporation and instruments before the notary and official authorities.
3. Signing loan agreements, assigning priority in paying the company's debts, issuing a guarantee for others' obligations, granting all guarantees and compensation, and issuing legitimate agencies on behalf of the company.
4. Sale, purchase, emptying, acceptance, receipt, delivery, rental and leasing.
5. Opening, managing, operating and closing bank accounts, opening letters of credit, arresting, paying, withdrawing and depositing with banks, issuing bank guarantees, signing all papers, documents, checks and all banking transactions.
6. Appointing and isolating employees and workers, bringing in manpower from outside the Kingdom, contracting with them, and determining their duties and salaries.
7. Approval of the company's business plan and approval of its annual operating plans and budgets.
8. Selling, buying or mortgaging the real estate and assets of the company, provided that the minutes of the board of directors and the reasons for its decision to dispose of the real estate of the company shall include the following conditions:
 - A- That the board specify the reasons and justifications for it in the sale decision.
 - B - That the sale is close to the price of the same.
 - C - That the sale be present except in cases of necessity and with adequate guarantees.
 - D- That this behavior does not result in the suspension of some of the company's activities or impose it on other obligations.

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9. To absolve the debtors of the company from their liabilities according to what is in its interest, provided that the minutes of the board of directors and the reasons for its decision shall include the following conditions:

A- That the release shall be after the lapse of one full year of the debt's emergence, as a minimum.

B - That the release is for a specified amount, as a maximum, for each year, for one debtor.

C- The release is a right of the Board of Directors that cannot be delegated.

10. The Board of Directors may contract loans with funds and government financing institutions, regardless of their duration, and commercial loans even if their terms exceed the end of the company's term, subject to the following conditions for contracting loans whose terms exceed three years:

A- That the value of the loans that the board may enter into during the company's financial year does not exceed 50% of the company's capital.

B - That the board of directors specify in its decision the uses of the loan and the method of repayment.

C- To take into account the conditions of the loan and the guarantees provided to him not to harm the company and the general guarantees to creditors.

11. The Board of Directors may provide financial support to any of the companies in which the company participates, as well as subsidiary or sister companies, and to guarantee credit facilities obtained by any of the companies in which the company participates, as well as subsidiary or sister companies. The Board of Directors may delegate or delegate on its behalf, within the limits of its competencies, one or more of its members or third parties to take a specific action or conduct or perform a specific action or actions and cancel the delegation or power of attorney in part or in whole.

Article 18:**A - Conflict of Interest:**

- 1- It is not permissible for a member of the Board of Directors to have any direct or indirect interest in the business and contracts that are made for the account of the company except with permission from the Ordinary General Assembly and in accordance with the controls laid down by the competent authority. A member of the board of directors shall inform the board of his direct or indirect interest in the business and contracts that are made for the company's account, and this notification shall be recorded in the minutes of the meeting. This member may not participate in voting on the decision to be issued in this regard by the Board of Directors and shareholders' assemblies. The chairman of the board of directors informs the ordinary general assembly when it is convened about the business and contracts in which one of the board members has a direct or indirect interest in it, and the notification is accompanied by a special report from the company's external auditor.

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2- If a member of the board fails to disclose his interest referred to in Paragraph (A 1) of this Article, the company or any interested party may claim before the competent judicial authority to nullify the contract or oblige the member to pay any profit or benefit achieved for him from that.

3 - Responsibility for damages resulting from the works and contracts referred to in Paragraph (A 1) of this Article rests on the member with an interest in the work or contract, as well as on the members of the Board of Directors, if those works or contracts are carried out in violation of the provisions of that paragraph or if it is proven that they are not fair, or involves a conflict of interest and harms shareholders.

4- Members of the Board of Directors who oppose the decision are exempt from responsibility when they explicitly prove their objection in the meeting minutes. Absence from attending the meeting in which the decision is issued is not considered a reason for exemption from responsibility unless it is proven that the absent member did not know about the decision or was unable to object to it after knowing it

B- Non-competition:

It is not permissible for a member of the Board of Directors to participate in any business that would compete with the company, or to compete with the company in any of the branches of the activity that it is practicing. Otherwise, the company may claim from the competent judicial authority the appropriate compensation, unless he has obtained a license from the Ordinary General Assembly allowing him to do so, and in accordance with the controls laid down by the competent authority.

C- Remuneration for Board Members:

1- The remuneration of the members of the Board of Directors shall be a certain amount, an attendance allowance for the sessions, in-kind benefits, or a certain percentage of the net profits, and it is permissible to combine two or more of these benefits.

2- If the remuneration is a specific percentage of the company's profits, then this percentage may not exceed (10%) of the net profits, after deducting the reserves decided by the General Assembly in implementation of the provisions of the Companies Law and the Company's Articles of Incorporation and after distributing a profit of no less than (5%) of the paid-up capital of the company,

3- In all cases, the sum of remuneration and financial or in-kind benefits and rewards that a member of the Board of Directors obtains shall not exceed an amount of five hundred thousand riyals annually, according to the controls laid down by the competent authority.

4- The report of the Board of Directors to the Ordinary General Assembly must include a comprehensive statement of all remunerations, expenses allowances and other benefits obtained by members of the Board of Directors during the fiscal year. It should also include a statement of what members of the council received as workers or administrators, or what they received in return for technical or administrative works or consultations. It should include a statement of the number of council sessions and the number of sessions attended by each member.

Article of Incorporation**Article 19: Authorities of the Chairman, the Deputy, the Managing Director, and the Secretary**

The board of directors shall appoint from among its members a chairman and a vice Chairman to replace the chairman of the board of directors in his absence. The board of directors shall appoint a secretary from among the members of the board or from others who is specialized in recording the proceedings of the board meetings and preparing for those meetings and determining his remuneration in accordance with the decision issued by appointing him. The term of the chairman, his deputy, the managing director and the secretary of the board member shall not exceed the term of each of them in the board. They are elected, and the Council may at any time dismiss them or any of them without prejudice to the right of the dismissed person to compensation if the dismissal occurred for an unlawful reason or at an inappropriate time. The Chairman has the authority to invite the board to meet and chair the meeting of the board and general assemblies of shareholders and to represent the company in its relations with others, before the judiciary, government agencies, notaries, courts, committee for resolving securities disputes of all kinds, arbitration and civil rights committees, police departments, chambers of commerce and industry, private bodies, companies and institutions Different types of it, issuance of legal agencies, appointment of agents and lawyers, their dismissal, pleading, defense, litigation, reconciliation, acknowledgment, arbitration, acceptance of judgments and objection to them on behalf of the company. The chairman of the board is also concerned with, without limitation, the following matters:

- 1- Signing all types of contracts and documents, including listing contracts for the establishment of companies in which the company participates with all their amendments and appendices, signing agreements, instruments and emptying before the notary public and official authorities and loan agreements with funds and government financing institutions, banks, banks, financial houses, guarantees, guarantees and mortgages, and their disassociation and collection The company's rights and payment of its obligations.
- 2- Selling, buying, unloading, accepting, receiving, delivering, renting, renting, arresting, paying and entering into tenders.
- 3- Opening accounts, credits, withdrawals and deposits with banks, issuance of bonds, checks and all commercial papers.
- 4- Appointing employees, contracting with them, determining their salaries, removing them from service, requesting visas, bringing in employees and workers from abroad, extracting residencies and work permits, transferring guarantees and waiving them. The Board of Directors, based on the recommendation of the Nomination and Remuneration Committee and a decision issued by it, determines the special remuneration that the Chairman and Managing Director will receive in case he is appointed, and the Board of Directors determines the functions of the Managing Director. The board must appoint a secretary to the board of directors and specify the Authorities and responsibilities of the secretary, in accordance with a resolution. The term of membership of the Chairman, Managing Director and Secretary, if he is a member of the Board of Directors, does not exceed the term of each of them in the Board, and they may always be reappointed.

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The chairman of the council may delegate and delegate others within the limits of his competence with the Authorities, to take a specific action or behavior, or to perform a specific action or actions, and to the agent of the right to delegate others, and he has the right to cancel the delegation or power of attorney partially or completely. In addition to this, the chairman of the board has other Authorities determined by the board of directors, and he must implement those instructions that are directed to him by the board of directors.

5- He has the right to sell, buy, empty and accept it in apartments, lands and real estate, receive the price, rent, receive the rent, sign contracts for the company, import and export what he deems in the interest, enter into government tenders, auctions, purchases, government contracting, companies and public and individual institutions, conclude contracts related to them, sign all documents related to them, implement and supervise them, and create Establishing companies and reviewing the Ministry of Trade and Industry to complete their establishment, extracting commercial records, licenses, adding and deleting, issuing lost replacements, amending them, deleting and canceling them, signing company incorporation contracts and documenting their contracts with a notary, as well as the amendment appendices in this company or other companies, whatever by assignment or sale of shares and buying them, whether in whole or in part Or increasing and reducing the company's capital, requesting its liquidation and delisting, entering into other companies, entering and leaving a partner or any supplement to amend, approve and vote in the constituent assemblies or the association of partners and the board of directors, discuss budgets, discharge receivables and trade in all commercial and domestic and foreign stocks, bonds, real estate, property and equipment. And engines, agricultural, commercial, and residential lands, etc., pre-emption, allowance, assignment, receipt, delivery, seizure of the price of sale, demand, litigation, litigation, hearing claims, responding to them, establishing evidence, payment, accepting judgment, objecting to it, and assigning it in any case brought by the company or against it before any court and in any party and has the right to take an oath And a rose stethoscope, ending all the legal and administrative procedures related to the company, extracting checks for the lost, receiving and collecting sums from third parties, whether in cash or checks, and from the competent authorities, opening accounts in the name of the company, withdrawing and depositing, closing accounts, cashing checks, requesting loans and financing from all banks operating in the Kingdom and receiving them and has the right to Withdrawing, depositing, closing accounts, receiving them, spending them, and depositing them in our account. He also has the right to represent us in the interest of zakat and income, the Chamber of Commerce for participation, renewal and cancellation, reviewing embassies and consulates operating in the Kingdom and the Kingdom's embassies and consulates abroad and reviewing all ministries and government agencies and their various branches and departments in the Kingdom of Saudi Arabia. In the power of attorney for others All of the above.

Article of Incorporation**Article 20: Board Meetings**

The board of directors meets at least twice a year at the invitation of the chairperson, and the invitation is in writing, and the chairman of the board must call the board to a meeting whenever two of the members so request him.

Article 21: The Board's Quorum

A board meeting is not valid unless it is attended by at least half of the members, provided that the number of attendees is not less than (5) members in origin, and a member of the board of directors may delegate other members to attend the meetings of the board according to the following controls: -

- 1- A member of the Board of Directors may not represent more than one member in attending the meeting.
- 2- That the mandate should be fixed in writing and regarding a specific meeting.
- 3- The deputy may not vote on the decisions on which the system prohibits the delegate from voting on it.

Board decisions are issued by the majority of opinions of the attending members or their representatives. When opinions are equal, the side with which the session chair voted will prevail.

Article 22: Council deliberations

The deliberations and decisions of the Board of Directors are confirmed in minutes signed by the Chairman of the Board, the members of the Board present and the Secretary, and these minutes are recorded in a special register signed by the Chairman of the Board of Directors and the Secretary.

The Board of Directors may issue its decisions in the event of urgency by the members voting on them by telegraph or by fax or by electronic means, unless two of the members request in writing to hold a meeting of the Board for deliberation, provided that the decision taken in this way is presented to the Board at the first meeting following its approval.

Chapter Four: Shareholders' Assemblies**Article 23: Attending Assemblies**

A properly formed general assembly represents all shareholders and meets in the city in which the company's head office is located. Every shareholder, regardless of the number of his shares, has the right to attend the general assemblies of shareholders, and in this regard he has the right to delegate on him another person who is not members of the board of directors or company employees to attend the general assembly.

Article 24: Authorities of the Ordinary General Assembly

With the exception of matters pertaining to the extraordinary general assembly, the ordinary general assembly shall have jurisdiction over all matters related to the company, and it convenes at least once a year during the six months following the end of the

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company's fiscal year. Other ordinary general assemblies may be called whenever the need arises.

Article 25: Authorities of the Extraordinary General Assembly

The extraordinary general assembly has the authority to amend the articles of Incorporation of the company, with the exception of matters that it is prohibited to amend by law. It may issue decisions on matters originally within the jurisdiction of the Ordinary General Assembly, under the same terms and conditions prescribed for the Ordinary General Assembly.

Article 26: General Assembly Invitation

The shareholders' general assemblies shall convene upon the invitation of the board of directors, and the board of directors shall call the general assembly to convene if requested by the auditor, the audit committee, or a number of shareholders representing at least 5% of the share capital. The auditor may call the assembly to convene if the board does not invite the assembly within thirty days from the date of the auditor's request.

The invitation to convene the assembly and the agenda are published in a daily newspaper that is distributed at the Company's headquarters at least twenty-one days before the date set for the meeting. However, it is permissible to address the invitation on the aforementioned time to all shareholders by registered letters, and send a copy of the invitation and the agenda to the Ministry of Trade and Investment, as well as to the Capital Market Authority, during the period specified for publication.

Article 27: General Assembly registration of attendance

The shareholders and representatives who wish to attend the general or private assembly register their names in the company's headquarters or at the meeting place prior to the time specified for the meeting.

Article 28: Quorum of the ordinary general assembly meeting

The holding of the Ordinary General Assembly is not valid unless attended by shareholders representing at least a quarter of the share capital, and if the quorum necessary for holding 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 evidence of the possibility of holding This meeting.

In all cases, the second meeting is valid regardless of the number of shares represented in it.

Article 29: Quorum of the extraordinary general assembly meeting

The meeting of the extraordinary general assembly is not valid unless attended by shareholders representing at least half of the capital. If this quorum is not available at the first meeting, the second meeting will 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 evidence of the announcement of the possibility this meeting took place.

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In all cases, the second meeting will be valid if attended by a number of shareholders representing at 25% of the share capital.

If the required quorum is not available at the second meeting, an invitation is sent to a third meeting to be held in the same conditions stipulated in Article (28) of this system, and the third meeting will be valid regardless of the number of shares represented in it after the approval of the competent authority.

Article 30: Voting in general assemblies

Every shareholder has a vote for every share in the general assembly, and the cumulative vote is used in the election of the Board of Directors, so that the right to vote for the share may not be used more than once. Also, members of the board of directors may not participate in voting on the Assembly's decisions related to absolving them of responsibility for the management of the company or related to a direct or indirect interest to them.

Article 31: General Assemblies decisions

Decisions in the Ordinary General Assembly are issued by an absolute majority of the shares represented at the meeting, and the decisions of the Extraordinary General Assembly are also issued by a two-thirds majority of the shares represented in the meeting unless it is a decision related to increasing or reducing the capital or extending the term of the company or dissolving it before the expiration of the period in its articles of Incorporation or its merger With another company, it is not valid unless it is issued by a majority of three quarters of the shares represented at the meeting. The company must publicize the decisions of the extraordinary general assembly in accordance with the provisions of Article (65) of the Companies Law if they include amending the company's articles of Incorporation.

Article 32: The discussions in the general assemblies

Every shareholder has the right to discuss topics on the assembly's agenda and direct questions about them to the members of the board of directors and the auditor. Any provision depriving the shareholder of this right is null and the board of directors or the auditor answers the shareholders' questions to the extent that it does not harm the interest of the company. And if the shareholder deems that the response to his question is not convincing, he will refer to the assembly and its decision in this regard is enforceable.

Article 33: Presiding over assemblies and preparing the minutes

The general assembly meetings of the shareholders are chaired by the chairman or his deputy in his absence, or whoever is delegated by the board of directors from among its members in the absence of the chairman and his deputy. The president appoints a secretary for the meeting and a vote sorters.

A report shall be drawn up at the meeting of the assembly including the number of shareholders present or representatives, the number of shares in their possession in origin or agency, the number of votes decided for them, the decisions taken, the number

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of votes that approved or disagreed with them, and a full summary of the discussions that took place at the meeting. Minutes are recorded regularly after each meeting in a special register signed by the president of the assembly, its secretary, and the vote sorter.

Chapter 5: Audit Committee**Article 34: Committee formalization**

Audit committee shall be formed by a decision of the ordinary general assembly consisting of at least 3 members who are not members of the executive board of directors, whether from shareholders or others.

Article 35: Quorum of the committee meeting

For the audit committee meeting to be valid, the attendance of the majority of its members is required, and its decisions are issued by the majority of the votes of those present.

Article 36: Audit committee competences

The Audit Committee is responsible for monitoring the company's business, and for this purpose it has the right to view its records and documents and request any clarification or statement from the members of the board of directors or the executive management, and it may request the board of directors to invite the company's general assembly to convene if the board of directors impedes its work or the company is exposed. For heavy damages or losses.

Article 37: Committee's reports

The audit committee must review the company's financial statements and the reports and notes provided by the auditor and express its views on them, if any, and it must also prepare a report on its opinion regarding the adequacy of the company's internal control system and the other activities it has performed within the scope of its competence. The board of directors must deposit sufficient copies of this report in the company's head office at least twenty-one days before the meeting of the general assembly to provide all shareholders who wish to have a copy of it. The report is read during the assembly.

Chapter Six: External Auditor

Article 38: Appointment of the External Auditor

The company must have an auditor (or more) from among the auditors licensed to work in the Kingdom to be appointed annually by the Ordinary General Assembly. His remuneration and the duration of his work shall be determined, and it may reappoint him provided that the period of his appointment does not exceed five consecutive years. He is reappointed after two years from its expiry date. The assembly may also change it at any time without prejudice to its right to compensation if the change occurred at an inappropriate time or for an unlawful reason. It is not permissible to combine the work of the auditor with participation in the establishment of the company or membership of the board of directors, or to carry out technical or administrative work in the company or in its interest, even by way of consultation. It is also not permissible for him to be a partner of a member of the board of directors, a worker for him, or a relative to the fourth degree. Any action contrary to this shall be null, with an obligation to return the receipts to the Ministry of Finance.

Article 39: Authorities of the Auditor

1. The auditor has the right at any time to view the company's books, records, and other documents, and he also has the right to request the data and clarifications that he deems necessary to obtain, in order to verify the company's assets, liabilities, and other things that fall within the scope of his work. The chairman of the board of directors must enable him to perform his duty, and if the auditor encounters difficulty in this regard, he shall prove this in a report submitted to the board of directors. If the board does not facilitate the work of the auditor, he must request the board of directors to call the ordinary general assembly to consider the matter.

2. The auditor must submit to the annual ordinary general assembly a report prepared in accordance with the generally accepted auditing standards, including the position of the company's management to enable him to obtain the data and clarifications he requested, and what he may have found of violations of the provisions of the companies' law or the provisions of the company's articles of Incorporation, and his opinion in the fairness of the company's financial statements. The auditor reads his report in the General Assembly. If the assembly decides to approve the report of the board of directors and the financial statements without listening to the auditor's report, its decision shall be void.

It is not permissible for the auditor to disclose to shareholders other than the meeting of the general assembly or to others what the company's secrets have been kept on because of his work. Otherwise, he must be dismissed as well as being held accountable for compensation, and the auditor is responsible for compensating the damage that befalls the company, shareholders or others because of errors. Which falls from him in the performance of his work. And if there are multiple reviewers and they participate in the error, they are jointly responsible.

Chapter Seven: Company Accounts and Profit Distribution

Article 40: Fiscal Year

The company's fiscal year begins from the first of January and ends at the end of December of each calendar year, provided that the first fiscal year begins from the date of its registration in the commercial register until the end of December of the following year.

Article 41: Financial documents

1. At the end of every financial year for the company, the board of directors must prepare the company's financial statements and a report on its activities and financial position for the past financial year. This report includes the proposed method for distributing profits. The board shall place these documents at the disposal of the auditor at least forty-five days before the date fixed for the meeting of the general assembly.

2. The company's chairman, chief executive and financial director must sign the documents referred to in Paragraph (1) of this Article, and copies of them shall be deposited in the company's head office at the shareholders' disposal at least twenty-one days before the date set for the meeting of the general assembly.

The chairman of the board of directors shall provide the shareholders with the financial statements of the company, the report of the board of directors, and the auditor's report, unless they are published in a daily newspaper distributed in the company's head office. He must also send a copy of these documents to the Ministry of Trade and Investment, as well as to the Financial Market Authority, at least fifteen days before the date of the General Assembly.

Article 42: Distribution of profits

The annual net profits of the company are distributed as follows:

1. (10%) of the net profits shall be set aside to form the statutory reserve of the company. The Ordinary General Assembly may decide to stop this deduction when the said reserve reaches (30%) of the paid capital.

2. The Ordinary General Assembly, based on the proposal of the Board of Directors, may set aside (5%) of the net profits to form an agreement reserve to be allocated for a specific purpose or purposes for the benefit of the company.

3. The Ordinary General Assembly may decide to set up other reserves, to the extent that they achieve the interest of the company or ensure that fixed profits are distributed as much as possible to the shareholders. The aforementioned assembly may also deduct from the net profits sums to establish social institutions for the company's employees or to assist those existing from these institutions.

4. From the remainder after that, a percentage of not less than (5%) of the company's paid-up capital shall be distributed to the shareholders after the approval of the General Assembly on the distribution of profits.

5. Subject to the provisions stipulated in Article (Twenty) of this Law, and Article (76) of the Companies Law, after the above, a percentage (10%) of the remainder shall be allocated to the Board of Directors' remuneration with a maximum of (500,000) five

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hundred thousand riyals. Provided that the entitlement to this bonus is proportional to the number of sessions that the member attends.

6. After that, the rest is distributed to the shareholders as an additional share in the profits.

7. The company may also distribute interim dividends to its shareholders on a semi-annual or quarterly basis after fulfilling the statutory requirements.

Article 43: Entitlement to Profits

The shareholder is entitled to his share in the profits in accordance with the decision of the General Assembly issued in this regard, and the decision specifies the date of entitlement and the date of distribution, and the eligibility of the profits will be for the shareholders registered in the shareholders' records at the end of the date determined for maturity. The competent authority shall determine the maximum period during which the Board of Directors must implement the decision of the Ordinary General Assembly regarding the distribution of profits to the shareholders.

Article 44: Dividends Distribution of Preferred Stocks

1. If profits have not been distributed for any fiscal year, it is not permissible to distribute profits for the following years except after paying the specified percentage in accordance with the provisions of Article (one hundred fourteen) of the Companies Law for owners of preference shares for that year.

2. If the company fails to pay the specified percentage in accordance with the provisions of Article (fourteen hundreds of the Companies Law) of profits for a period of three consecutive years, the special assembly of owners of these shares, convened in accordance with the provisions of Article (eighty-nine) of the Companies Law, may decide Either they attend the general assembly meetings of the company and participate in the vote, or they appoint representatives in the board of directors in proportion to the value of their shares in the capital, until the company is able to pay the priority dividends allocated to the owners of these shares for previous years.

Article 45: Company losses

1. If the company's losses amount to half of the paid-up capital, at any time during the fiscal year, any official in the company or the auditor must immediately inform the chairman of the board of directors, and the chairman of the board of directors must immediately inform the members of the board of that, and the board of directors within five Ten days from his knowledge of this to invite the extraordinary general assembly to a meeting within one hundred and eighty days from the date of his knowledge of the losses, to decide either to increase the company's capital or to confirm the continuation of the company in accordance with the provisions of the companies' law, to the extent that the percentage of losses decreases to less than half of the paid capital Or, dissolving the company before the term specified in this bylaw.

2. The company is considered terminated by the force of the Companies Law if the General Assembly does not meet within the period specified in Paragraph 1 of this Article, or if it convenes and is unable to issue a decision on the matter, or if it decides to increase the capital according to the conditions stipulated in this Article and the subscription has not

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been completed. In each capital increase within ninety days from the issuance of the assembly's decision to increase it.

Chapter Eight: Disputes

Article 46: Claims of Liability

Every shareholder has the right to file a lawsuit for the liability established for the company against the members of the board of directors if the mistake made by them would cause special harm to him. The shareholder may not file the aforementioned lawsuit unless the company's right to file it is still valid. The shareholder must inform the company of his intention to file a lawsuit.

Chapter Nine: Dissolution and Liquidation of the Company

Article 47: Termination of the Company

As soon as the company expires, the company enters the role of liquidation and maintains the legal personality to the extent necessary for liquidation. The voluntary liquidation decision is issued by the extraordinary general assembly, and the liquidation decision must include the appointment of the liquidator, specifying his Authorities and fees, restrictions imposed on his Authorities, the time required for liquidation, and the voluntary liquidation period must not exceed five years. Extending it to more than that except by a judicial order and the authority of the company's board of directors' ends with its dissolution. Nevertheless, these remain in charge of managing the company and are counted in relation to others in the judgment of liquidators until the liquidator is appointed. Shareholders' assemblies remain in place during the liquidation period and their role is limited to exercising their competencies that do not conflict with the terms of reference of the liquidator.

Chapter Ten: Final Provisions

Article 48:

The Companies Law, it's Bylaws, and the Capital Market Authority Law shall be applied in all that is not stipulated in this Law.

Article 49:

This system shall be deposited and published in accordance with the provisions of the Companies Law and its regulations.