



The articles of association of Al-Jouf Cement Company
Saudi Joint Stock Company

AL JOUF CEMENT COMPANY

**Bylaws of
Al Jouf Cement Company
(A Saudi joint stock company)**



Company name: Al Jouf Cement Co. Saudi Listed Joint Stock Co.	Company Bylaws	Ministry of Commerce (Operating Dept.)
	Date : 13/9/2022	
Commercial Registration No. 1010225259		Huda Al Jassir Official Seal of the Ministry of Commerce & Investment

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Al Jouf Cement Company
(A Saudi listed joint stock company)**

Chapter One: Company's Incorporation

Article (1) Incorporation

This company shall be incorporated in accordance with the provisions of the Companies' Act and these bylaws as a Saudi joint stock company as per the following conditions:

Article (2) Company's Name

Al Jouf Cement Company (A Listed joint stock company).

Article (3) Company Objectives

1. Production of all types of cement
2. Practice mining and quarrying and everything that enables the company to obtain raw materials for the cement industry such as limestone, clay, gypsum, iron, kaolin and other materials needed for the cement industry.
3. Wholesale and retail trade in the company's products and building materials
4. Establish or participate in the establishment of industrial services companies for the purpose of providing maintenance and services to factories inside and outside the Kingdom.
5. Management and operation of cement factories.

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6. Own lands, real estate and patents and benefit from them in achieving their industrial purposes inside and outside the Kingdom.
7. Establish or participate in the establishment of companies that complement the company's activity and establish factories of cement derivatives such as ready-mix concrete, block factories, tile factories, and so on in the same field.
8. Trading agencies.

The company shall exercise its activities according to the applicable laws after getting the required licenses from the relative agencies, if any.

Article 4: Participation & Acquisition :

The company may establish companies by its own (limited liability companies or closed joint stock companies. The company may also acquire shares and interests in other current companies or merge with them, and the company shall have the right to participate with others in establishing joint stock companies or limited liability companies, after fulfilling the applicable laws and regulations in this regard, and the company may dispose of such shares or interests, provided that such disposal shall not include brokerage.

Article (5) Company's Head Office

The Company's Head Office shall be located in the city of Riyadh. The company may open branches, agencies or offices inside the Kingdom of Saudi Arabia by a decision of the board of directors according to the provisions of applicable laws in the kingdom.

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Article (6) Company's Term

The Company has been established for a period of ninety-nine (99) Gregorian years, starting from the date of its registry in the commercial registration, and the period may always be extended by a decision made by the extraordinary general assembly at least one year before the expiry of its term.

Chapter Two: Capital and Shares

Article (7) Company's Capital:

The company's capital is fixed at (SR 1,087,000,000) One billion eighty seven million Saudi Riyals, divided into (108,700,000 shares) of equal value. The value of each share is SR (10) ten Riyal, and all of them are nominal cash shares.

Article (8) Subscription to the shares:

The founders have subscribed to all of the capital shares, being (SR 1,087,000,000) fully paid

Article (9): Preferred shares

The Extraordinary General Assembly of the Company may, according to the grounds established by the competent authority, issue or decide to purchase preferred shares or convert regular shares into preferred shares or convert the preferred shares to regular and the preferred shares do not give the right to vote in General Assemblies of Shareholders. These shares give the right to their owners to obtain higher percentages than the owners of regular shares in the company's net profits after the statutory reserve has been set aside.

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Article (10) Sale of unpaid shares

The shareholder shall pay the share's value on the determined dates, and if he fails to pay on the due date, the board of directors may, after informing him by publishing in a daily newspaper distributed in the region where the head office of the company is located or by a registered letter to sell the share in a public auction or in the stock market, as the case may be according to the controls set out by the competent authority.

The company shall recover from the sales proceeds the amounts due and the remainder is returned to the holder of the share. If the sales proceeds are not sufficient to recover these amounts, the company may recover the remainder from all the shareholder's funds.

The defaulting shareholder may, however, pay the outstanding value on the day of sale, plus the expenses incurred by the company in this respect.

The company shall cancel the share sold in accordance with the provisions of this article and give the buyer a new share with the cancelled share number, and mark in the shares' register the sale with the name of the new holder.

Article 11: Issuance of shares:

The shares shall be nominal and may not be issued at a lower than its nominal value, but may be issued at higher value, and in the latter case the value difference shall be added in a separate item in the shareholders' equities. They may not be distributed as dividends to shareholders. The share shall be indivisible in the face of the company, and if a share belongs to multiple persons, they have to choose someone to act on their behalf in the use of the rights related thereto, and these persons are liable to be held in solidarity with the obligations arising from ownership of the share.

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Article (12) – Trading of Shares:

The shares shall be subject to trading only after the publishing of the financial statements for two consecutive fiscal years, each of which is not less than 12 months, starting from the date for the company's incorporation, and the certificates of these shares shall note their type, date of company's conversion and the period in which their trade is prohibited.

However, the ownership transfer of the shares may be made during the prohibited period in accordance with the provisions of sale of equities from one founding shareholder to another or from the heirs of one of the founding shareholders in case of his death to the others, or in case of executing on the properties of one of the insolvent or bankrupt founders provided that the ownership of owning these shares shall be given to the other founders.

The provisions of this article shall apply to the subscription made by the founders in the event of an increase in capital before the expiry of the prohibited period.

Article (13): Register of Shareholders

The shares shall be traded according to the provisions of the stock market law.

Article (14) Increase of the Company's Capital

- 1- The extraordinary general assembly may decide to increase the company's capital provided that the original capital is paid in full, and the capital is not required to be paid in full if the unpaid portion of the capital is for shares issued in exchange for conversion of debt instruments or financing

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instruments to equities, and the time period for converting them to equities has not expired.

- 2- The Extraordinary General Assembly shall in all cases allocate the shares issued upon the capital increase or part thereof to the employees of the company, the subsidiaries or some of them, or any of them. The shareholders may not exercise the right of priority when the company issues the shares assigned to the employees.
- 3- The shareholder may at the time of the Extraordinary General Assembly's decision to approve the capital increase have the priority to subscribe to the new shares issued in exchange for cash shares, and those shall be notified of their priority by posting in a daily newspaper or by informing them by registered mail on the decision to increase the capital and the subscription conditions, duration, start and end date.
- 4- The Extraordinary General Assembly shall have the right to suspend the priority of subscription for the shareholders by raising the capital for cash shares or by giving priority to non-shareholders in cases that it deems appropriate for the interest of the company.
- 5- The shareholder is entitled to sell or waive the priority right during the period from the date of decision of the General Assembly for approving the capital increase until the last day to subscribe to the new shares associated with these rights, in accordance with the controls established by the competent authority.
- 6- Taking into account the above-mentioned paragraph (4), the new shares shall be distributed to the holders of priority rights who have requested to subscribe, in proportion to their priority rights of the total priority rights resulting from capital increase, provided that they do not exceed what they

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have asked for new shares, and the remainder of the new shares shall be distributed to the holders of the priority rights, who have requested more than their share in proportion to the priority rights of the total priority rights resulting from the capital increase, provided that they do not exceed what they have asked for new shares, and the remaining shares shall be offered to others, unless the extraordinary General Assembly decides otherwise or otherwise provided for by the Capital Market Law.

Article (15) Decrease of the Company's Capital

The Extraordinary General Assembly may decide that the company's capital be decreased if it exceeds the company's need or if the company incurs losses. In the latter case only, the capital may be decreased to lower than the limit set out in Article (54) of the Companies' Act, and the decrease decision shall not be made until after reading the auditor's report about the reasons and the company's obligations, and the impact of reducing these obligations.

If the capital is to be reduced because it exceeds Company's needs, the creditors must be invited to present their objections to the decrease within (60) sixty days of the publication date of the reduction decision in a daily newspaper circulated in the city where the Company's Head Office is located. If a creditor raises an objection and presents his supporting documents to the company within the deadline specified, the Company must pay his debt if due, or submit an adequate guarantee to be paid if not due.

Chapter Three: Board of Directors

Article (16) Company's management:

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The Company's management shall be undertaken by a Board of Directors comprised of seven (7) members to be elected by the Ordinary General Assembly of shareholders for a term not more than (3) three years.

Article (17) Expiry of the Board' Membership:

The membership of the board shall expire on the expiry of its term or the termination of the member's power in accordance with any law, regulation, rule or instruction in force in the Kingdom, and however the Ordinary General Assembly may at all times dismiss all or some of the members of the board without prejudice to the right of the dismissed member towards the company to claim compensation if the dismissal occurred for an unacceptable reason or at an inappropriate time and the board member may resign on condition that it is made at an appropriate time or he shall be responsible before the company for the damages as a result of the resignation.

Article (18) Vacant position in the Board

In case of vacancy of a board member position, the board of directors may appoint temporarily a member in the vacant position based on the order to obtain the votes in the Assembly which elected the board, provided that they have the required expertise and competence, and the ministry must be informed thereof within five working days from the date of appointment and the appointment shall be presented to the Ordinary General Assembly in its first meeting and the new member must complete his predecessor's term. In the absence of the necessary conditions for convening the board of directors due of the lack of its members below the minimum set out in Companies' Act or the present articles, the remaining members shall be invited by the Ordinary

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General Assembly to convene within sixty (60) days to elect the necessary number of members.

Article (19) Powers of the Board of Directors:

Notwithstanding the stipulated powers of the General Assembly, the board of directors shall have all the authorities and powers to manage the Company in fulfilling its objects, and it may exercise all the dispositions and works that fall within the objectives of the company, including its articles of association, conduct its affairs inside and outside the Kingdom, and dispose of its assets, property and real estate, and it shall have the right to purchase and accept, pay the price, mortgage, release the mortgage, sell, conveyance, receive the price and hand over the appraiser, provided that the minutes of the Board of Directors and the reasons for its decision to act regarding the assets, properties and real estate of the company, the following conditions must be observed: 1- The board shall specify in the sale decision the reasons and justifications for the same.

2- That the sale be close to the same price.

3- The sale shall be present except in cases of necessity and with sufficient guarantees.

4- That this act does not result in the suspension of some of the company's activities or the imposition of other obligations on it. The board of directors may also contract loans with government finance funds and institutions, regardless of their term, and commercial loans whose terms do not exceed the end of the company's term, taking into account the following conditions:

1- The board of directors to determines in its decision the aspects of using the loan and how to repay it.

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2- To take into account in the terms of the loan and the guarantees provided to it, not to harm the company, its shareholders, and the general guarantees of the creditors. The board of directors shall also have the right to compromise, waive, contract, abide and associate in the name and on behalf of the company. The company's board of directors, in the cases it determines, shall have the right to discharge the company's debtors from their obligations for the interest of the company, provided that the minutes of the board of directors and the rationale for its decision shall consider the following conditions:

- 1- The release shall be at least one year after the debt arose.
- 2- The release shall be for a specified amount as a maximum per year per debtor
- 3- The discharge is the right of the board, which may not be delegated.

Note that all of these powers and authorities are inside and outside the Kingdom of Saudi Arabia, and the board may also, within its powers, delegate one or more of its members or third parties to carry out certain job or jobs.

Article (20): Remuneration of the Board Members:

The remuneration of the board of directors' members shall consist of percentage of the profits, and such remuneration may be a specific amount or allowance for attending the sessions or specific benefits, and it is possible to merge between two or more of these benefits, and within the limits stipulated by the Companies' Act and its regulations. The board of directors' report submitted to the ordinary General Assembly shall include a detail of earnings of the board members during the financial year, such as bonuses, allowance, expenses and other benefits. The said report shall also include what the board

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members have collected as employees or managers or collected in consideration of technical, managerial, or consulting services, and also includes a list of the number of board meetings and the number of meetings attended by each member from the last meeting of the General Assembly.

Article (21) Powers of the Chairman, Vice Chairman, Managing Director, and Secretary

The board of directors shall appoint a chairman and vice chairman from among its members, and may appoint a managing director. It is not allowed to appoint one member to be both chairman and any other executive post in the company.

The chairman shall have the power to call the board for meeting and preside over the board meetings. The Chairman of the Board is responsible for representing the company in its relationship with others, before the judiciary, government agencies, the notary, courts, committees for settling disputes of all kinds, arbitration bodies, civil rights, police departments, chambers of commerce and industry, private bodies, companies and institutions of all kinds, issuing power of attorney, appointing and dismissing agents and lawyers, pleading, defending and litigating, conciliation, acknowledgment, denial, waiver, release, arbitration, acceptance of judgments and objection to them on behalf of the company, signing all types of contracts, documents and papers, including without limitation contracts of incorporation of companies in which the company participates with all their amendments and appendices, signing agreements, instruments and conveyance before the notary public and official bodies, loan agreements and agreements of rescheduling them with government finance funds and institutions, banks, financial institutions, guarantees, sureties, mortgages, release of mortgages, collecting the

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company's rights and paying its obligations, selling, buying, conveyance, accepting, receiving, delivering, renting, leasing, receiving, paying, entering into tenders, opening accounts, credits, withdrawing and depositing with Banks, issue and sign bonds, checks, remittances, order bonds and all commercial papers, appoint employees and contract with them, determine their salaries, dismiss them from service, request visas, recruit employees and workers from abroad, issue resident identity and work permits, transfer and waive sponsorships, and the chairman may delegate others within the limits of his competence with powers or to take action or certain action or the performance of a certain job or jobs, and he may cancel the delegation or authorization, in part or in whole.

The Managing Director is also responsible for the powers delegated to him by the Board of Directors.

The Board of Directors, at its discretion and by a decision thereof, shall determine the special remuneration to be obtained by the Chairman, Vice-Chairman, and the Managing Director for each of them, in addition to the remuneration prescribed for members of the Board of Directors, in accordance with the provisions of the Companies Law and its regulations.

The Board of Directors shall appoint a secretary to be chosen by it from among its members or from others, who shall be responsible for recording the minutes of the Board of Directors' meetings, recording and keeping the decisions issued by these meetings, in addition to exercising other powers assigned to it by the Board of Directors. The Board shall determine its remuneration.

Article 22: Board meetings

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The Board of Directors shall meet four times at least a year at the invitation of its chairman, and the invitation shall be in writing, by fax or authenticated e-mail, and the chairman of the board must invite the board to a meeting whenever two of the members request it

Article (23) Quorum of Board Meeting

The board meeting shall not be valid unless attended by at least half the members, where the number of attendees must be at least 3 members, and the board member may authorize another board member to attend the board meetings according to the following conditions:

- A- The board member may not represent more than one member to attend this meeting.
- B- The authorization shall be in writing for a specified meeting.
- C- The representative may not vote on the decisions that the law prohibits the authorizer to vote on.
- D- Board meetings can take place by phone, video call, or using modern technologies.
- E- Board decisions shall be issued by the majority of the opinions of the attending members, and when the votes are equal, the side from which the chairman is in shall prevail.

The decisions of the board shall be issued by a majority of the opinions of the members present or represented therein. When the votes are equal, the side with which the chairman voted shall prevail.

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Article 24: Deliberations of the Board of Directors:

The deliberations and decisions of the Board of Directors shall be recorded in minutes to be signed by the Chairman of the Board, the present members of the Board of Directors and the Secretary and they shall be recorded in a special register to be signed by the Chairman of the Board and the Secretary. Electronic applications may be used to approve the minutes of the board and its committees.

Chapter Four: Shareholders' Assemblies

Article (25) Attendance of Assemblies

Each Subscriber regardless of his number of shares has the right to attend the founding assembly meeting, and each shareholder shall have the right to attend the general assemblies of shareholders, and assign another person not from among the board members or company employees to attend the general assembly.

Article (26) Founding Assembly:

The founders shall invite all subscribers to hold a founding assembly within forty five days from the date of the ministry's decision licensing the incorporation of the company. The meeting must be attended by a number of subscribers representing half the capital at least. If such quorum is not available, a second meeting shall be held one hour after the end of the period specified for the first meeting, provided that the call for the first meeting shall

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contain the same. In all cases, the second meeting shall be valid whatever the number of subscribers represented in it.

Article 27: Powers of the Founding Assembly:

The founding assembly shall be competent for the matters contained in Article (63) of the Companies 'Act.

Article (28) Powers of the Ordinary General Assembly

Except for the scope of the Extraordinary General Assembly, the Ordinary General Assembly shall deal with all issues related to the company, and shall be held at least once a year during the six months following the end of the company's financial year. Other Ordinary General Assemblies may be called when necessary.

Article (29) Powers of the Extraordinary General Assembly

The Extraordinary General Assembly is competent to amend the Company's articles of association, except for provisions whose amendment is prohibited by law. It may make decisions for issues within the competence of the Ordinary General Assembly under the same circumstances and conditions determined for the Ordinary General Assembly.

Article (30): Call for assemblies

The Shareholders' General or Special Meetings shall be held upon an invitation made by the board of directors. The board must call for an Ordinary General

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Assembly upon the request of the Auditor, audit committee or a number of shareholders, representing at least five (5%) of the capital. The request shall be written and indicate the request to convene the assembly, justifications for convening the assembly, signed by the shareholder with the date of application. The auditor may call for a meeting of the general assembly if the Board does not call for a meeting within thirty days of the auditor's request date.

The invitation for general assembly shall be published in a daily newspaper distributed at the head office of the company at least twenty one days from the date of the meeting. However, the invitation may be sent at the said date to all shareholders by registered letters, and copy of the invitation shall be sent with the agenda to the capital market authority within the period fixed for publication.

Article (31): Attendance record of the meetings

Shareholders who wish to attend the general or special assembly shall register their names at the company's head office or the place specified by the company for the meeting of the assembly before the time specified for the assembly, as determined by the company in the assembly's announcement.

Article (32): Quorum of the Ordinary General Assembly

The Ordinary General Assembly shall be valid only if attended by shareholders representing at least quarter of the capital. If the quorum is not fulfilled in this meeting, and if the necessary quorum for holding this meeting is not available, the second meeting shall be held an hour after the end of the period specified for convening the first meeting, provided that the invitation to hold the first

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meeting includes an announcement of the holding of this meeting. In all cases, the second meeting shall be valid regardless of the number of shares represented therein

Article (33): Quorum of the Extraordinary General Assembly

The Extraordinary General Assembly shall be valid only if attended by shareholders representing at least half of the capital. If the quorum is not fulfilled in the first meeting, the second meeting shall be held an hour after the end of the period specified for convening the first meeting, provided that the invitation to hold the first meeting includes an announcement of the holding of this meeting. In all cases, the second meeting shall be valid if attended by a number of shareholders representing at least quarter of the capital

If the quorum is not fulfilled in the second meeting, a third meeting shall be called in the same conditions stipulated in the Article 30 of these bylaws, and the third meeting shall be valid regardless of the number of shares represented, subject to the approval of the competent authority.

Article (34): Voting in the assemblies

Each subscriber shall have one vote for each share he represents in the founding assembly, and each shareholder shall have one vote for each share he represents in the General Assemblies. The cumulative votes shall be used to elect the board of directors.

Article (35) Decisions of the Assemblies

The decisions of the Founding Assembly shall be made by absolute majority votes of represented shares in the meeting. The decisions of the Ordinary General Assembly shall be made by absolute majority votes of represented

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shares in the meeting, and the Extraordinary General Assembly decisions shall be made by majority of two-thirds of shares represented in the meeting unless the decision is related to the capital increase or decrease, extension of company term, or company dissolution before the expiry of the determined period in its articles, or merge of the company in another company, then the decision shall not be valid unless issued by majority of three-quarters of shares represented in the meeting.

Article (36): Deliberations in the Assemblies

Each shareholder is entitled to discuss the subjects listed on the agenda of the meeting and ask related questions to the board members and to the auditor. The answers of the board members and the auditor to the shareholders' questions shall be in a way that does not jeopardize the company's interest. If the shareholder thinks that the answer to his question is not convincing, he shall seek a decision from the meeting, whose decision shall be in this regard effective.

Article (37): Chairing the Assemblies and preparation of the minutes

The General Assembly of Shareholders shall be presided by the board chairman or his vice chairman in case of his absence or a person assigned by the board in case of the absence of the board chairman and his vice chairman.

A register shall be prepared for the meeting, which includes the number of shareholders present or represented, number of owned shares in their possession, personally or by proxy, the number of designated votes, decisions made, number of votes in favor or against them, sufficient summary of discussions in the meeting. The minutes shall be recorded regularly following

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each meeting in a special register signed by meeting chairman, secretary, and the gatherer of votes.

Chapter Five: Audit Committee:

Article (38): Formation of the Committee:

An audit committee shall be formed by a decision of the ordinary General Assembly composed of at least 3 members and not exceeding 5 members, from other than the executive board members, whether shareholders or others, one of the members shall be specialized in the financial and accounting matters. The decision shall set the committee tasks and the rules of its work and the remunerations of its members. If the position of a member of the committee becomes vacant during the committee's work cycle, the board shall have the right to appoint a temporary member, provided that this appointment is presented to the nearest general assembly of shareholders for approval, and the new member shall complete the term of his predecessor.

Article (39): Quorum for meeting of the Committee:

For the validity of a meeting of the Audit Committee, it is required to be attended by a majority of its members, and its decisions are made by a majority vote of the attendees, and when the vote is equal, the side having the vote of the committee chairman shall prevail.

Article (40): Powers of the Committee:

The Audit Committee shall be competent to audit the business of the company and, in doing so, it shall have access to its records and documents and shall request any clarification or statement from the members of the Governing

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council or executive management, and may request the board of directors or the executive management and may ask the Board of Directors to call for a meeting of the company's general assembly if the Board of Directors has obstructed its work or if the company has suffered serious damage or losses.

Article (41): Reports of the Audit Committee:

The Audit Committee shall review the financial statements of the Company and the reports and notes submitted by the Auditor and, if any, submit the views thereon, and it should also prepare a report on its opinion on the adequacy of the internal control system of the company and on its other work falling within its scope. The Board of Directors must deposit sufficient copies of this report at the company's main office at least 21 days before the General Assembly is held to provide each shareholder with a copy thereof. The report is read out during the assembly.

Chapter Six: Auditor

Article (42) Appointment of an Auditor

The Company shall have one auditor or more chosen among the auditors authorized to work in the Kingdom of Saudi Arabia and appointed annually by the Ordinary General Assembly, and shall determine his fees and work period and the Assembly may replace him at any time without prejudice to his right for compensation if the replacement is made at an inappropriate time and for unjustified reason.

Article (43) Powers of the Auditor

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The Auditor may at any time review the company's books and records, and other documents, demand any clarifications and data, which he may deem necessary to verify the company's assets and liabilities. Otherwise, it is within the scope of its work. The Chairman of the Board must enable him to perform his duty, and if the auditor encounters difficulty in this regard, this will be recorded in a report to be 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 invite the Ordinary General Assembly to consider the matter.

**Chapter Seven: Company's Accounts and
Distribution of Profits**

Article (44): Fiscal Year

The Fiscal Year of the Company shall start on January 1 and end on December 31 of each year, provided that the first fiscal year shall start after the date of its registration in the commercial register and shall end on December 31 of the following year.

Article (45): Financial Documents

- 1- The Board of Directors shall, at the end of each fiscal year, prepare the company's financial statements and a Report on its activities and financial position for the previous fiscal year to include suggestions for distribution of net profits. The Board shall forward the said documents to the auditor at least (45) days before the set date for the General Assembly to convene.

- 2- The Chairman of the Company's Board, the general manager and the Finance Manager shall sign the said documents in Para. (1) of this

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article, and copies of which shall be placed at the shareholders' disposal in the company's head office at least (21) days before the set date for the General Assembly to convene.

- 3- 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 at the company's head office and shall also send a copy of such documents to the Ministry as well as the capital market authority, at least fifteen days before the date of the General Assembly.

Article (46): Distribution of Profits

The net annual profits of the Company shall be distributed, as follows:

- 1- A percentage equal to (10%) of the net profits shall be set aside to form a statutory reserve. The Ordinary General Assembly may decide stop to do so once the said statutory reserve reaches 30% of the Company's paid capital.
- 2- The Ordinary General Assembly may, based on a suggestion made by the Board of Directors, set aside a percentage of the net profits to form other agreed reserves for specified purpose or purposes.
- 3- The Ordinary General Assembly may decide to establish other reserves, to the extent that it is in the interest of the company or ensures the distribution of fixed profits as much as possible to the shareholders. The said assembly may also deduct amounts from the net profits to establish community facilities for the company staff or assist the existing ones.

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- 4- After that, profits shall be distributed to the shareholders, and the ordinary general assembly may decide to distribute profits to the shareholders from the balance of the retained earnings, and the company may distribute interim dividends on a semi-annual or quarterly basis based on a recommendation from the board of directors.
- 5- Subject to the provisions stipulated in Article Twenty of this Bylaw, and Article Seventy-six of the Companies Law, after the above, no more than 10% of the remainder shall be allocated to the Board of Directors' remuneration, provided that the entitlement to this remuneration is proportional to the number of sessions attended by the member.
- 6- The rest shall then be distributed to the shareholders as an additional share in the profits.

Article (47): Profit entitlement:

The shareholder is entitled to his share of the profits in accordance with the General Assembly decision in this matter and the decision indicates the date of entitlement and the date of distribution and entitlement to the profits shall be for the shareholders registered in the shareholders ' records at the end of the day set for the entitlement.

Article (48): Distribution of profits for preferred shares:

- 1- If no profit is distributed for any fiscal year, profits may not be distributed for the following years, except after the specified percentage has been paid in accordance with of the provision of Article (114) of the Companies' Act to the owners of preferred shares for that year.
- 2- If the company fails to pay the specified percentage according to the

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provision of Article (114) of the Companies' Act of profits for three consecutive years, that the Special Assembly for Shareholders, held in accordance with the provisions of Article (89) of the Companies' Act, may decide, whether they can attend the meetings of the General Assembly of the Company and participate in the voting, or appointment of their representatives in the board of directors in proportion to the value of their shares in the capital, until the company is able to pay all the priority profits allocated to the shareholders for the previous years.

Article (49): Losses of the company:

- 1- If, at any time during the fiscal year, the company's losses reach half of the paid capital, any official of the company or the Auditor shall immediately inform Chairman of the Board, and the Chairman of the Board should inform the members of the board immediately thereof, and the Board must within fifteen days of its knowledge thereof call for an extraordinary General Assembly within forty five days from the date of its knowledge of the losses; to decide whether to increase or reduce the company's capital in accordance with the provisions of the Companies' Act to the extent that the rate of loss falls below half of the paid capital, or the company's dissolution prior to the term specified in Companies' Act.

- 2- The company shall be deemed as dissolved if the General Assembly does not meet within the period specified in Paragraph (1) of this article, or if it meets and unable to make a decision on the matter, or if it decided to increase the capital in accordance with the conditions established in this article and no subscription is made to all capital increase during 90 days of the assembly's decision for the increase.

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Chapter Eight: Disputes

Article (50): Liability Claim

Every shareholder may file a liability claim determined for the company against the board members if the fault they made has caused damage to him. The shareholder may not file the said claim unless the company's right for its filing still exists. The shareholder must notify the company of his intention to file the claim.

Chapter Nine: Company's Dissolution & Liquidation

Article (51): Company's Termination

The company shall enter into liquidation as soon as its term expires and retain the legal entity to the extent necessary for the liquidation and the voluntary liquidation decision shall be issued by the Extra-Ordinary General Assembly and the liquidation decision shall include the appointment of the liquidator, the determination of his powers and fees, the limitations imposed on his powers and the time period required for liquidation the voluntary liquidation period shall not exceed five years and may not be extended for more than that by a judicial order and the authority of the company's board of directors expires upon its dissolution, however, they shall continue to manage the company and are deemed for others as liquidators until the liquidator is appointed and the shareholders' assemblies shall remain in existence during the liquidation period and its role shall be limited to the exercise of its functions which are not inconsistent with the powers of the liquidator.

Chapter Ten: Concluding Provisions

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Article (52):

The Companies' Act and its implementing regulation shall be applicable for any provision not stated in these bylaws.

Article (53):

These bylaws shall be deposited and published according to the Companies' Act and its regulations.

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