



The Articles of Association of Naqi Water Company
Listed Joint Stock Company

Chapter One: Incorporation of the Company

Article 1: Incorporation:

The Company has been incorporated in accordance with the provisions of the Companies Law, its Implementing Regulations, and this Articles of Association, as a Saudi Joint Stock Company as follows:

Article 2: Company Name:

Naqi Water Company (Listed Joint Stock Company).

Article 3: Company Objectives:

The Company shall engage in and implement the following objectives:

- 1. General field:** Manufacturing industries
Specific field: Manufacture of non-alcoholic beverages, production of mineral water and other bottled water.
Activity: Production and bottling of purified filtered water 110422
- 2. General field:** Transportation and storage
Specific field: Storage
Activity: Dry foodstuff warehouses 521098
- 3. General field:** Wholesale and retail trade and repair of motor vehicles and motorcycles
Specific field: Wholesale of food, beverages and tobacco
Activity: Wholesale of bottled water of all types 463071
- 4. General field:** Transportation and storage
Specific field: Land transport of goods
Activity: Land transport of goods 492300
- 5. General field:** Agriculture, forestry and fishing
Specific field: Poultry farming
Activity: Egg production 14615

The Company shall carry out these activities in accordance with the applicable regulations and after obtaining the necessary licenses from the competent authorities, if any.

Article 4: Participation and Ownership in Companies:

The Company may establish companies in accordance with the Companies Law and its Implementing Regulations. It may own shares and stakes in existing companies or merge with them, and it has the right to participate with others in establishing companies after fulfilling the requirements of the applicable laws and regulations in this regard. The Company may also dispose of these shares or stakes, provided that this does not include brokerage in their trading. The Company may own movable and immovable assets, and may sell, purchase, and lease them.

Article 5: Company Headquarters:

The Company's headquarters is located in the city of Unaizah, Kingdom of Saudi Arabia. It may establish branches, offices, or agencies inside or outside the Kingdom by a decision of the Board of Directors and with the approval of the competent official authorities.

Article 6: Duration of the Company:

The duration of the Company is ninety-nine (99) Gregorian years commencing from the date of its registration in the Commercial Register. This period may always be extended by a resolution issued by the Extraordinary General Assembly at least one year before its expiry.





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Chapter Two: Capital and Shares

Article 7: Capital:

The Company's capital is set at two hundred million (200,000,000) Saudi Riyals, divided into twenty million (20,000,000) equal shares, with a nominal value of ten (10) Saudi Riyals per share.

Article 8: Subscription to Shares:

The shareholders have subscribed to all the Company's capital shares amounting to (20,000,000) shares (twenty million shares), fully paid, with a total value of (200,000,000) Saudi Riyals (two hundred million Saudi Riyals), and all cash amounts have been deposited in the capital account with the bank.

Article 9: Company's Purchase and Pledge of Its Shares:

1. The Company may purchase its shares with the approval of the Extraordinary General Assembly in accordance with the Companies Law, its Implementing Regulations, and the controls set by the competent authority in this regard.
2. The shares subject to purchase must be fully paid, and the purpose of the purchase shall be either to reduce the Company's capital or to retain the purchased ordinary shares as treasury shares, provided that treasury shares shall not exceed at any time (10%) of the total class of the Company's shares subject to purchase.
3. The debit balance of treasury shares shall not exceed the value of the Company's retained earnings.
4. Shares purchased by the Company shall not have voting rights in shareholders' assemblies.
5. The Company may purchase its shares for the following purposes:
 - a. To fulfill the rights of holders of debt instruments or financing sukuk convertible into shares in accordance with the terms and conditions of such instruments or sukuk.
 - b. As consideration for acquiring shares, stakes, or purchasing assets.
 - c. To allocate them to the Company's employees under an employee share program.
 - d. If the Board of Directors deems that the market value of the share is lower than its fair value.
 - e. To cancel the shares in accordance with the provisions for capital reduction.
6. The Company may purchase its shares for the purpose of allocating them to employees under an employee share program after obtaining the approval of the Extraordinary General Assembly for the employee share allocation program and authorizing the Board of Directors to determine the terms of such program, including the allocation price per share offered to the employee if there is consideration, and excluding non-executive Board members from participation in the employee share program. Executive members may not vote on Board decisions related to the program.
7. The Company may sell treasury shares in one or several stages in accordance with the regulations set by the competent authorities.
8. Subject to the controls specified in the Implementing Regulations of the Companies Law, shares may be pledged. The pledgee shall be entitled to receive dividends and exercise the rights attached to the share unless otherwise agreed in the pledge agreement. The pledgee shall not attend shareholders' general meetings or vote therein.

Article 10: Issuance of Shares:

Shares shall be nominal. Shares may be issued at a value higher or lower than their nominal value. In the latter case, the difference in value shall be added under a separate item within shareholders' equity, to be used in accordance with the regulations set by the competent





authorities, and shall not be distributed as dividends to shareholders. A share shall be indivisible vis-à-vis the Company. If a share is owned by multiple persons, they must designate one of them to exercise the rights attached thereto on their behalf, and such persons shall be jointly liable for the obligations arising from ownership of the share.

Article 11: Trading of Shares:

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

Article 12: Increase of Capital:

1. The Extraordinary General Assembly may resolve to increase the Company's capital provided that the capital has been fully paid. The capital shall not be required to be fully paid if the unpaid portion relates to shares issued in exchange for converting debt instruments or financing sukuk into shares and the prescribed conversion period has not yet expired.
2. In all cases, the Extraordinary General Assembly may allocate the shares issued upon capital increase, or part thereof, to the Company's employees, the employees of its subsidiaries, or any of them. Shareholders shall not exercise pre-emptive rights when shares are issued for employees.
3. A shareholder owning shares at the time of issuance of the Extraordinary General Assembly resolution approving the capital increase shall have priority to subscribe to the new shares issued against cash contributions. Such shareholders shall be notified of their priority through the disclosure mechanisms for listed joint stock companies approved by the competent authority regarding the capital increase resolution, subscription terms, period, start and end dates.
4. The Extraordinary General Assembly may suspend the application of shareholders' pre-emptive rights in subscribing to a capital increase against cash contributions or grant priority rights to non-shareholders if deemed in the interest of the Company.
5. A shareholder may sell or waive the pre-emptive right for consideration or without consideration in accordance with the regulations.
6. Subject to paragraph (4) above, the new shares shall be distributed to holders of pre-emptive rights who have requested subscription in proportion to their ownership of such rights out of the total pre-emptive rights resulting from the capital increase, provided that what they receive does not exceed the shares they requested. The remaining new shares shall be distributed to holders of pre-emptive rights who requested more than their entitlement, proportionate to their ownership of pre-emptive rights out of the total rights resulting from the capital increase, provided that what they receive does not exceed the shares they requested. Any remaining shares shall be offered to third parties unless otherwise decided by the Extraordinary General Assembly or stipulated by the Capital Market Law.

Article 13: Capital Reduction:

1. The Extraordinary General Assembly may resolve to reduce the capital if it exceeds the Company's needs or if the Company incurs losses. In the latter case only, the capital may be reduced below the minimum limit prescribed in the Companies Law. The resolution for reduction shall not be issued except after the reading at the General Assembly of a statement prepared by the Board of Directors explaining the reasons for the reduction, the



Company's obligations, and the impact of the reduction on fulfilling such obligations, accompanied by a report from the Company's auditor.

If the capital reduction is due to excess over the Company's needs, creditors must be invited to express their objections within the period specified in the Companies Law from the date set for the Extraordinary General Assembly meeting to adopt the reduction resolution. The invitation shall include a statement showing the capital amount before and after reduction, the meeting date, and the effective date of the reduction. If any creditor objects and submits supporting documents to the Company within the legally prescribed period, the Company shall pay the debt if it is due or provide sufficient security for its payment if it is deferred. Equal treatment must be observed among shareholders holding shares of the same type and class when reducing the capital.

Article 14: Debt Instruments and Financing Sukuk:

The Company may – by a resolution of the Extraordinary General Assembly – in accordance with the relevant laws and regulations, issue any type of tradable debt instruments, whether in Saudi Riyals or other currencies, inside or outside the Kingdom of Saudi Arabia, such as bonds and sukuk, in compliance with Islamic Sharia provisions. The Extraordinary General Assembly may authorize the Board of Directors to issue such debt instruments, including bonds and sukuk, whether in one tranche or multiple tranches or through one or more programs established by the Board from time to time, at the times, amounts, and conditions approved by the Board, which shall have the authority to take all necessary actions for their issuance. The Company may also – by resolution of the Extraordinary General Assembly – issue debt instruments or financing sukuk convertible into shares after issuing a resolution specifying the maximum number of shares that may be issued in exchange for such instruments or sukuk, whether issued at the same time or through a series of issuances or through one or more programs for issuing debt instruments or financing sukuk. The Board of Directors shall issue new shares against such instruments or sukuk requested for conversion by their holders upon the expiry of the conversion request period, in accordance with Islamic Sharia provisions, without the need for a new approval from the General Assembly. The Board shall take the necessary measures to amend the Company's Articles of Association regarding the number of issued shares and capital. The Board of Directors must complete the procedures for each capital increase in the manner prescribed by law to formalize the resolutions of the Extraordinary General Assembly.

Chapter Three: Board of Directors

Article 15: Management of the Company:

The Company shall be managed by a Board of Directors consisting of six (6) members elected by the Ordinary General Assembly of shareholders for a term of four (4) years. Members of the Board of Directors may be re-elected for other terms in accordance with the election and nomination procedures based on the applicable regulations and the controls set by the competent authority.

Article 16: Expiry or Termination of Board Membership:

1. Before the end of its term, the Board of Directors shall invite the Ordinary General Assembly to convene to elect a new Board of Directors for a new term. If the election cannot be conducted and the current Board's term expires, its members shall continue performing their duties until a new Board is elected, provided that the continuation period does not exceed the period specified in the Implementing Regulations of the Companies Law.



2. Board membership shall end upon expiration of its term, termination of the member's eligibility in accordance with any applicable laws or regulations in the Kingdom, death, resignation, or if the member is convicted of a crime involving dishonor or breach of trust. A Board member may resign by submitting a written notice to the Chairman of the Board. If the Chairman resigns, the notice shall be submitted to the remaining Board members and the Board Secretary. In both cases, the resignation shall be effective from the date specified in the notice.
3. If the Chairman and members of the Board resign, they must call the Ordinary General Assembly to convene to elect a new Board. The resignation shall not take effect until the new Board is elected, provided that the tenure of the resigning Board does not exceed the period specified in the regulations. The Board must take the necessary measures to elect a replacement Board before the expiry of the continuation period specified by law.
4. The General Assembly may, based on a recommendation from the Board, terminate the membership of any member who fails to attend three (3) consecutive meetings or five (5) separate meetings of the Board without a valid excuse accepted by the Board. The Ordinary General Assembly may dismiss all or some members of the Board of Directors. In such case, the Ordinary General Assembly shall elect a new Board or a replacement for the dismissed member (as applicable) in accordance with the provisions of the Companies Law and subject to the controls for dismissal of Board members set by the competent authority.

Article 17: Vacancy in the Board:

1. If the position of a Board member becomes vacant due to death or resignation and such vacancy does not impair the validity of Board meetings due to the number of members falling below the minimum required under this Articles of Association, the Board may appoint a replacement member provided that the appointee has the required experience and competence. The competent authorities must be notified within fifteen (15) 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 shall complete the remaining term of his/her predecessor.
2. If the conditions necessary for convening the Board are not met due to the number of members falling below the minimum required under the Companies Law or this Articles of Association, the remaining members must call the Ordinary General Assembly to convene within sixty (60) days to elect the required number of members.

Article 18: Powers of the Board of Directors:

Subject to the competencies vested in the General Assembly, the Board of Directors shall have the broadest authority and powers to manage the Company and conduct its affairs in a manner that achieves its objectives. The Board shall, for example but not limited to, have the following powers:

1. Establish internal regulations and policies of the Company.
2. Approve the Company's vision, strategies, business plans, operational budgets, annual capital budgets, and others.
3. Conclude, sign, and implement all contracts and agreements, including but not limited to purchase, sale, lease, rental, agency, franchise, financial hedging contracts, and other documents, contracts, transactions, and deals on behalf of the Company; and participate in tenders, submit bids, compete, and accept or reject awards on its behalf.



4. Deal in the name of the Company with all banks operating inside or outside the Kingdom; open, manage, operate, and close bank accounts; withdraw and deposit funds; issue and prepare bonds and cheques; sign all commercial papers and documents; obtain loans and other Sharia-compliant credit facilities for any term, including loans exceeding three (3) years from governmental financing funds and institutions, commercial banks, financial houses, or companies and individuals including the Company's shareholders; issue guarantees and sureties to any party; and execute all transactions transferring ownership, including pledging all Company funds and assets such as shares, bonds, real estate, land, and buildings when deemed in the Company's interest. The Board may invest the Company's funds in any manner; establish, open, manage, and close investment portfolios and accounts compliant with Islamic Sharia within and outside the Kingdom; buy and sell goods, construction materials, land, real estate and similar assets; establish investment fund companies inside and outside the Kingdom; and has the right to delegate these powers. The Board may issue promissory notes and other commercial papers, conduct all banking transactions, and sell, purchase, or pledge the Company's real estate and assets, and release the Company's debtors from their obligations.
5. Approve internal, financial, administrative, technical, and supervisory regulations, including policies and regulations related to employees; appoint department managers and senior positions; define their responsibilities; terminate their services and settle their entitlements; request work visas, exit and re-entry visas, and final exit permits for employees and sponsored personnel; transfer and waive sponsorships in accordance with applicable laws; and appoint qualified and experienced managers, determine their duties and remuneration.
6. Authorize persons responsible for managing the Company to sign on its behalf within the limits set by the Board.
7. The Board may form appropriate committees in accordance with legal requirements and the Company's needs. It shall determine their scope of authority, tasks, procedures, appointment and dismissal of members, and remuneration in light of relevant regulations and each committee's charter, as well as monitoring mechanisms within the governance regulations approved by the Board to enable effective performance of its responsibilities.
8. Approve the establishment of subsidiaries, branches, offices, and agencies inside and outside the Kingdom and participate in companies; represent the Company in signing incorporation contracts of companies in which it participates; and purchase shares and stakes.
9. Execute transfers, accept and determine consideration, appear before notaries public inside and outside the Kingdom to sign sale or purchase deeds; obtain permits and land plans; follow up with municipalities; request land surveys; sign and obtain related documents and contracts. The Board also has the right to appoint experts and arbitrators, authorize lawyers, pay and dismiss them, delegate others to act on its behalf, and revoke or cancel such authorizations.
10. Within its authority, the Board may delegate one or more of its members or third parties to carry out specific tasks. It may participate in other companies and dispose of their assets and properties; purchase, accept payment, pledge, release pledges, sell, transfer ownership, and collect or pay consideration. The Board may delegate all or part of these powers to any party as it deems appropriate.



11. The Board shall obtain approval from the General Assembly when selling assets whose value exceeds (50%) of the total assets value, whether through one transaction or multiple transactions. In such case, the transaction that causes the threshold of (50%) to be exceeded shall require General Assembly approval. This percentage shall be calculated from the date of the first transaction made during the previous twelve (12) months. However, the competent authority may exempt certain actions and transactions from this requirement.

Article 19: Remuneration of Board Members and Committee Members:

1. Remuneration of Board Members:

The remuneration of Board members shall consist of a fixed amount, attendance allowance, expense allowance, in-kind benefits, or a percentage of profits. Two or more of these benefits may be combined, and the amounts may vary, in accordance with a policy issued by the Remuneration and Nomination Committee and approved by the General Assembly. The Board of Directors' report to the General Assembly at its annual meeting shall include a comprehensive statement of all remuneration, attendance allowances, expenses, and other benefits received by Board members during the fiscal year, as well as any amounts received by members as employees, administrators, or for technical, administrative, or consultancy work. It shall also include the number of Board meetings and the attendance of each member.

2. Remuneration of Committees:

The Board of Directors shall determine the remuneration of committee memberships, attendance allowances, and other entitlements based on a policy approved by the Board upon recommendation of the Remuneration and Nomination Committee and approved by the General Assembly of shareholders.

Article 20: Appointment of the Chairman, Vice Chairman, Secretary of the Board, Managing Director or Chief Executive Officer and Their Powers:

First: At its first meeting, the Board of Directors shall appoint from among its members a Chairman and a Vice Chairman. It may appoint a Managing Director from among its members. The position of Chairman of the Board may not be combined with any executive position in the Company.

Second: The Chairman of the Board shall be responsible for managing the Board's affairs, activating and developing its performance. He/She shall also take the necessary measures to ensure that the Board fulfills its responsibilities and functions in light of this Articles of Association and other relevant regulations, and to ensure that Board members understand their roles and responsibilities and adhere to the limits and powers assigned to the Board, taking into account those assigned to the Company's executive management.

Third: The Chairman of the Board shall be responsible for calling Board meetings, chairing Board sessions, approving Board resolutions and extracts thereof, and setting the agenda of meetings, taking into consideration the topics proposed by Board members or the Chief Executive Officer for inclusion. The Chairman shall manage Board meetings effectively and encourage active participation by all members to achieve the planned objectives. He/She shall also chair the General Assemblies and may delegate these powers to the Vice Chairman or others. The Chairman also has the right to authorize third parties to attend the General Assembly meetings of companies in which the Company holds shares and to vote on their agendas on behalf of the Company.

Fourth: The Board of Directors may appoint a Chief Executive Officer from among its members or from others. One person may combine the positions of Managing Director and Chief Executive



Chief Executive Officer: The Chief Executive Officer or Managing Director (if appointed) shall be responsible for implementing the policies approved by the Board and the shareholders' assemblies, and for taking the decisions necessary to serve the Company's interests, ensure its operations, and achieve its objectives, in addition to other powers assigned by the Board or specified in this Articles of Association.

Fifth: Subject to the powers and authorities of the Board of Directors and pursuant to its resolutions or those of the General Assembly, the Chairman of the Board shall have the following powers:

1. Representing the Company before third parties and before all courts of all levels and types, notaries, the Board of Grievances, governmental authorities, judicial and administrative committees of all kinds, labor offices, labor and legal committees, Zakat and tax authorities, banking dispute settlement committees, primary and higher committees and other governmental bodies, the Zakat and Tax Authority, the Ministry of Investment, police, public prosecution, enforcement courts, municipalities and ministries, and before all other committees, whether individuals, companies, or entities inside or outside the Kingdom. He/She may submit applications in the Company's name, sign, deliver, and receive them from any authority; plead, defend, litigate; file and hear claims; settle, waive, acknowledge, deny, respond, challenge, present witnesses and evidence; approve judgments issued in favor of the Company and take all legal procedures to enforce them; appoint and dismiss lawyers; claim and collect the Company's rights from others by certified checks issued in the Company's name; accept or reject judgments; appoint arbitrators, sign arbitration documents, appoint experts; receive and deliver commercial registrations, licenses, amendments, court judgments, documents, settlements, and commercial papers; request enforcement of judgments; claim forgery; submit grievances and objections; collect the Company's rights and issue clearances; fulfill its obligations and pay its debts; and receive and pay consideration. He/She may appoint agents and lawyers, issue and revoke powers of attorney, and delegate one or more members or third parties to perform specific tasks, and may further delegate to others.
2. Calling Board meetings, chairing Board and General Assembly meetings, and approving and signing Board resolutions.
3. Attending on behalf of the Company General Assembly meetings of companies in which the Company holds shares, voting and signing resolutions issued therein. He/She may also lease property, collect rent, open subscriptions with chambers of commerce, establish telecommunications services of all types with telecommunications companies, conclude agreements with foreign companies to obtain agencies for the Company and register them with competent authorities, register trademarks, and object to registrations.
4. In addition to the above, the Chairman shall have other powers determined in writing by the Board of Directors. The Vice Chairman shall replace the Chairman in his/her absence.

Sixth: Powers of the Managing Director (if appointed) or Chief Executive Officer:

The right to sign on behalf of the Company all contracts, agreements, documents, and instruments, including but not limited to transfer deeds before notaries, investment contracts, loan agreements, guarantees and sureties, and contracts for purchasing, selling, transferring, and merging land, accepting and paying consideration, after obtaining approval from the Board or the Chairman. Either of them shall have the right to sign lease and rental contracts, agency and franchise agreements, financial hedging contracts, and other contracts, agreements, transactions,



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and obligations; register powers of attorney and trademarks; review and extract commercial registrations; renew and transfer commercial registrations; reserve trade names; open and renew subscriptions with the Chamber of Commerce; approve and cancel signatures with the Chamber; add or amend activities in commercial registrations; open branches for commercial registrations; sign all documents before the Chamber of Commerce and the Ministry of Commerce; open, manage, operate, and close bank and investment accounts; issue checks, letters of credit, withdrawals and deposits; issue guarantees, promissory notes, pledges, and other commercial papers; and carry out all acts and transactions necessary to manage the Company's affairs and achieve its objectives, including all matters delegated to them by the Board.

Seventh: The Board of Directors shall appoint a Secretary from among its members or others. The Secretary shall organize Board meetings and activities, prepare written minutes, maintain their records, prepare correspondence with governmental and non-governmental authorities, and issue invitations to Board meetings upon request of the Board. The Secretary's remuneration shall be determined by a decision of the Board of Directors.

Eighth: The term of the Chairman, Vice Chairman, Managing Director, and Secretary who are members of the Board shall not exceed the term of their membership on the Board. They may be re-elected.

Article 21: Board Meetings:

The Board of Directors shall meet at least four (4) times per year upon invitation by the Chairman or his/her delegate. The invitation shall be in writing and may be sent to Board members through modern technological means such as email, portals, applications, or other electronic means within sufficient time before the meeting date. The Board shall determine the place of its meetings, and meetings may be held using modern technological means. The Chairman — or his/her delegate in case of absence — must call a meeting if requested by any Board member to discuss one or more matters.

Article 22: Quorum and Resolutions of the Board:

1. A Board meeting shall be valid only if attended by at least three (3) members in person. A Board member may delegate another member to attend meetings on his/her behalf. A member may also participate in meetings through modern technological means and shall be deemed present in person. If a member delegates another member to attend, the following conditions shall apply:
 - a. A Board member may not represent more than one member at the same meeting.
 - b. The delegation must be in writing for a specified meeting, whether via email or any other means.
 - c. The delegate may not vote on resolutions that the law prohibits the delegating member from voting on.
2. Board resolutions shall be adopted by a majority of the votes of the members present or represented. In case of a tie, the side with which the chairperson voted shall prevail. A Board resolution shall be effective from the date of issuance unless it specifies another effective date or the fulfillment of certain conditions.
3. In urgent matters, the Board may issue resolutions by circulation by presenting them to all members separately, unless one member requests in writing that a meeting be held to deliberate on the matter. Resolutions issued by circulation shall require the approval of a majority of Board members and shall be presented at the next Board meeting to be recorded in its minutes.





4. When resolutions are adopted, liability shall fall on all Board members if the error arises from a resolution adopted unanimously. As for resolutions adopted by majority, dissenting members shall not be liable if they explicitly record their objection in the meeting minutes. Absence from the meeting in which the resolution is issued shall not exempt a member from liability unless it is proven that the absent member had no knowledge of the resolution or was unable to object after becoming aware of it.
5. The Company may provide insurance coverage for its Board members, senior executives, and their assistants during their term of service or membership against any liability or claim arising from their capacity.

Article 23: Deliberations of the Board:

1. The deliberations and resolutions of the Board of Directors shall be recorded in minutes prepared by the Secretary, signed by the Chairman of the Board, the attending Board members, and the Secretary. These minutes shall be recorded in a special register signed by the Chairman of the Board and the Secretary.
2. A Board member shall disclose to the Board any direct or indirect personal interest in the business and contracts conducted for the Company's account. Such disclosure shall be recorded in the Board meeting minutes. The interested member may not participate in voting on the resolution issued in this regard.
3. Modern technological means may be used for signing, documenting deliberations and resolutions, and recording minutes.

Chapter Four: Shareholders' Assemblies

Article 24: Shareholders' Rights and Attendance of Assemblies:

1. Shareholders shall have all rights attached to the share, particularly the right to receive a share of distributed profits, the right to receive a share of the Company's assets upon liquidation, the right to attend shareholders' assemblies, participate in their deliberations, and vote on their resolutions; the right to dispose of shares; the right to monitor the work of the Board of Directors and file liability claims against Board members; and the right to inquire and request information provided that it does not harm the Company's interests or conflict with the Capital Market Law and its Implementing Regulations.
2. The General Assembly of shareholders shall convene in the city where the Company's head office is located, either at the Company's premises or at any other suitable location. Every shareholder, regardless of the number of shares owned, has the right to attend the General Assemblies and may authorize another person, other than a Board member, to attend on his/her behalf. A single proxy may accept multiple proxies from shareholders to attend and vote on their behalf regardless of the number of shares represented at the meeting.

Article 25: Invitation to Assemblies:

1. The General or Special Assembly shall convene upon invitation by the Board of Directors. The invitation shall be issued at least twenty-one (21) days prior to the scheduled date by publishing the invitation and the agenda on the stock market website (Tadawul) and the Company's website, in accordance with the controls set by the competent authority and the standards stipulated in the Companies Law.
2. The Board of Directors shall invite the Ordinary General Assembly to convene within thirty (30) days if requested by the auditor or by one or more shareholders representing at least (10%) of the Company's voting shares. The auditor may call the Ordinary General Assembly



to convene if the Board fails to do so within thirty (30) days from the date of the auditor's request.

3. General Assembly meetings and shareholder participation in deliberations and voting may be conducted through modern technological means in accordance with the controls set by the Capital Market Authority.
4. The Audit Committee may request the Board of Directors to call the Company's General Assembly to convene if the Board obstructs its work or if the Company suffers serious damage or losses.

Article 26: Quorum for the Ordinary General Assembly:

The Ordinary General Assembly meeting shall be valid only if attended by shareholders representing at least one-quarter of the Company's voting shares. If this quorum is not achieved at the first meeting, a second meeting shall be called one hour after the end of the time specified for the first meeting, provided that the invitation to the first meeting includes notice of the possibility of holding the second meeting. The second meeting shall be valid regardless of the number of voting shares represented.

Article 27: Quorum for the Extraordinary General Assembly:

The Extraordinary General Assembly shall be valid only if attended by shareholders representing at least half of the Company's voting shares. If this quorum is not achieved at the first meeting, a second meeting shall be called under the same conditions stipulated in the previous article. The second meeting shall be valid if attended by shareholders representing at least one-quarter of the Company's voting shares. If the required quorum is not achieved at the second meeting, a third meeting shall be called under the same conditions stipulated in the Companies Law, and the meeting shall be valid regardless of the number of voting shares represented.

Article 28: Voting in Assemblies:

1. Each shareholder shall have one vote for each share in the Ordinary and Extraordinary General Assemblies. Cumulative voting must be used in electing the Board of Directors, and the voting right attached to a share may not be used more than once.
2. Board members may not participate in voting on resolutions of the General Assembly relating to the discharge of their liability for their management period or on the item concerning Board members' remuneration. They may not vote on resolutions relating to business and contracts in which they have a direct or indirect interest or that involve a conflict of interest.

Article 29: Resolutions of Assemblies:

Resolutions of the Ordinary General Assembly shall be adopted by the approval of the majority of voting rights represented at the meeting. Resolutions of the Extraordinary General Assembly shall be adopted by the approval of two-thirds (2/3) of the voting rights represented at the meeting, except where the resolution relates to an increase or reduction of capital, dissolution, merger with another company, or division into two or more companies, in which cases the resolution shall be valid only if approved by three-quarters (3/4) of the voting rights represented at the meeting.

Article 30: Discussion in Assemblies:

Each shareholder has the right to discuss the items listed on the agenda of the Assembly and to direct questions regarding them to the Board of Directors or the auditor. The Board of Directors or the auditor shall answer shareholders' questions to the extent that it does not harm the Company's interests. If a shareholder considers the response insufficient, the matter shall be referred to the Assembly, and its decision shall be binding.



Article 31: Chairing Assemblies and Preparing Minutes:

1. The General Assemblies shall be chaired by the Chairman of the Board of Directors or, in his/her absence, the Vice Chairman, or a person appointed by the Board from among the attending members. If both the Chairman and Vice Chairman are absent and such appointment is not possible, the General Assembly shall be chaired by a person appointed by the shareholders from among the Board members or others through voting.
2. The Chairperson shall appoint a secretary for the meeting and a vote collector. Minutes of the Assembly shall be prepared and include the number of shareholders present or represented, the number of shares held by them in person or by proxy and the votes assigned thereto, the resolutions adopted, the number of votes approving or opposing them, and a summary of the discussions held at the meeting. The minutes shall be regularly recorded after each meeting in a special register signed by the Chairperson of the Assembly, its Secretary, and the vote collectors.

Chapter Five: External Auditor

Article 32: Appointment, Dismissal, and Resignation of the Company's Auditor:

1. The Company shall have one or more auditors from among the auditors licensed to practice in the Kingdom. The auditor shall be appointed by the Ordinary General Assembly, which shall determine his/her remuneration, term of engagement, and scope of work. The auditor may be reappointed provided that the term of appointment does not exceed the period prescribed by law.
2. The auditor may be dismissed by a resolution of the General Assembly. The Chairman of the Board shall notify the competent authority of the dismissal resolution and its reasons within no more than five (5) days from the date of issuance of the resolution.
3. The auditor may resign by submitting a written notice to the Company. The auditor's assignment shall end from the date of submission or on a later date specified in the notice, without prejudice to the Company's right to compensation for any damage incurred if applicable. Upon resignation, the auditor must submit to the Company and the competent authority — at the time of notification — a statement of the reasons for resignation. The Board of Directors shall call the General Assembly to convene to consider the reasons for resignation and appoint another auditor, determining his/her remuneration, term, and scope of work.

Article 33: Powers of the Auditor:

The auditor shall have the right at any time to access the Company's books, accounting records, and supporting documents and to request data and clarifications necessary to verify the Company's assets and liabilities and other matters within the scope of his/her work. The Chairman of the Board shall enable the auditor to perform his/her duties. If the auditor encounters difficulties, such matters shall be recorded in a report submitted to the Board of Directors. If the Board fails to facilitate the auditor's work, the auditor shall request the Board to call the Ordinary General Assembly to consider the matter. The auditor may call the General Assembly if the Board fails to do so within thirty (30) days from the date of the auditor's request.

Chapter Six: Company Accounts and Profit Distribution

Article 34: Fiscal Year:

The Company's fiscal year shall begin on the first day of January and end at the end of December of each year. The first fiscal year shall begin from the date of the Company's registration in the



Commercial Register as a joint stock company and shall end at the end of December of the current year.

Article 35: Financial Documents:

1. At the end of each fiscal year, the Board of Directors shall prepare the Company's financial statements and a report on its activities and financial position for the ended fiscal year, including the proposed method for profit distribution. The Board shall make these documents available to the auditor at least forty-five (45) days before the date scheduled for the General Assembly meeting.
2. The Chairman of the Board or his/her authorized representative, the Chief Executive Officer, and the Chief Financial Officer shall sign the documents referred to in paragraph (1) of this Article. They shall be published on the stock market website (Tadawul) and the Company's website, and copies shall be deposited at the Company's head office for shareholders' review.
3. The Chairman of the Board shall publish the Company's financial statements, the auditor's report, and the Board's report for the relevant fiscal year on the stock market website (Tadawul) at least twenty-one (21) days before the date scheduled for the General Assembly meeting. He/She shall also file these documents in accordance with the Implementing Regulations of the Companies Law.

Article 36: Formation of Reserves:

1. The Ordinary General Assembly may, when determining the shareholders' share of net profits, decide to form reserves to the extent that serves the Company's interest or ensures — as far as possible — the distribution of fixed dividends to shareholders. The Assembly may also deduct amounts from net profits to achieve social purposes for the Company's employees or to establish non-profit institutions or support existing ones serving the community.
2. The Ordinary General Assembly may — upon the proposal of the Board of Directors — decide to use these reserves or reserves previously set aside by shareholders, including any reserves formed pursuant to regulatory requirements prior to the adoption of this Articles of Association, for the benefit of the Company or the shareholders.

Article 37: Profit Distribution:

The General Assembly shall determine the percentage to be distributed to shareholders from net profits after deducting reserves (if any) based on the recommendation of the Board of Directors and in accordance with applicable regulations, taking into account the provisions of this Articles of Association.

Article 38: Entitlement to Profits and Interim Dividends:

1. A shareholder shall be entitled to his/her share of profits in accordance with the resolution of the General Assembly issued in this regard upon the recommendation of the Board of Directors. The resolution shall specify the entitlement date and distribution date. The right to dividends shall belong to shareholders registered in the shareholders' register at the end of the specified entitlement day. The Board of Directors shall implement the General Assembly's resolution regarding dividend distribution in accordance with the applicable regulations.
2. The Company may distribute interim dividends (quarterly or semi-annually) to its shareholders under this Articles of Association after fulfilling the following conditions:



- a. The Ordinary General Assembly authorizes the Board of Directors to distribute interim dividends pursuant to a resolution renewed annually.
 - b. The Company has good and consistent profitability.
 - c. The Company has reasonable liquidity and can reasonably forecast its profit level.
 - d. The Company has distributable profits according to the latest audited financial statements sufficient to cover the proposed dividends after deducting amounts distributed and capitalized from those profits after the date of such financial statements.
3. The Board of Directors shall include in its annual report submitted to the General Assembly the percentages of profits distributed to shareholders during the different periods of the fiscal year, as well as the percentage of profits proposed to be distributed at the end of the fiscal year and the total of such profits.
 4. Disclosure and announcement of the dividend distribution resolution shall be made on the stock market website (Tadawul) immediately upon its adoption by the Board of Directors.

Article 39: Company Losses:

If the Company's losses reach half of the issued capital, the Board of Directors shall disclose this and its recommendations regarding such losses within sixty (60) days from the date it becomes aware that the losses have reached this amount. The Board shall call the Extraordinary General Assembly to convene within one hundred eighty (180) days from the date of such knowledge to consider whether the Company shall continue its operations and to take the necessary measures to address or resolve such losses.

Chapter Seven: Disputes

Article 40: Liability Action:

1. The Company may file a liability action against members of the Board of Directors for violating the provisions of the Companies Law or this Articles of Association, or for errors, negligence, or failure in performing their duties that result in damages to the Company. The General Assembly or the shareholders shall decide to file such action and appoint a representative to act on behalf of the Company. If the Company is in liquidation, the liquidator shall file the action. In the event that liquidation proceedings are initiated against the Company in accordance with the Bankruptcy Law, the action shall be filed by the person who legally represents it.
2. One or more shareholders representing (5%) of the Company's capital may file the Company's liability action if the Company fails to do so, provided that the primary objective of filing the action is to serve the Company's interests, that the action is based on valid grounds, that the claimant acts in good faith, and that the claimant is a shareholder at the time the action is filed.
3. To file the action referred to in paragraph (2) of this Article, the Board members must be notified of the intention to file the action at least fourteen (14) days prior to its filing.
4. A shareholder may file a personal claim against Board members if the error committed by them causes specific damage to the shareholder.

Chapter Eight: Dissolution and Liquidation of the Company

Article 41: Dissolution of the Company:

The Company shall dissolve for any of the reasons for dissolution stipulated in the Companies Law. Upon dissolution, the Company shall enter liquidation in accordance with the provisions of the Companies Law. If the Company is dissolved and its assets are insufficient to settle its debts or if it



is insolvent under the Bankruptcy Law, it must apply to the competent judicial authority to initiate liquidation proceedings under the Bankruptcy Law.

Chapter Nine: Final Provisions

Article 42: Companies Law:

1. The Company shall be subject to the applicable laws and regulations in force in the Kingdom of Saudi Arabia.
2. Any provision in this Articles of Association that contradicts the Companies Law shall be deemed invalid, and the provisions of the Companies Law shall apply. Any matter not addressed in this Articles of Association shall be governed by the Companies Law and its Implementing Regulations.

Article 43: Publication:

This Articles of Association shall be deposited and published in accordance with the provisions of the Companies Law and its Implementing Regulations.

