



**General Assembly meeting**  
**Zahrat Al Waha for Trading**  
Saudi public joint stock company

**Item No. 10**

## Amendment of the Company's Articles of Association

Before Amendment	After Amendment
<b>Article No (9): Nominal Value of the Shares</b>	
<p>The Article is nonexistent in the current Articles of Association, and it is added to the amended Articles of Association.</p>	<p>Shares may not be issued with a value less than its nominal value, and it may be issued with higher than this value subject to consent of the extraordinary general assembly, and in this case the value difference shall be put in a separate item within shareholders rights, and regulations will determine controls of using it.</p>
<b>Article No (16): Capital Increase Clause No (3)</b>	
<p>3- Shareholder holding the share at time of issue of the resolution of the extraordinary general assembly for approving capital increase shall have priority in subscribing for the new shares issued against cash shares, and those will be informed of their priority by publication in a daily paper or through informing them by registered mail about resolution of increase of capital, as well as the conditions of subscription, its term and its start and end date.</p>	<p>3- The shareholder who owns the share at the time of issuance of the decision of the Extraordinary General Assembly approving the increase of the issued capital or the decision of the Board of Directors approving its increase within the limits of the authorized capital will have the priority in subscribing to new shares issued in exchange for cash shares, and he will be informed of his priority through a registered letter to his address as mentioned in the shareholders register or through the means of modern technology, and will be informed of the decision to increase the capital and the terms and conditions of subscription and its manner and the date of its start and end subject to the type and class of the shares he owns.</p>

## Article No (17): Capital Decrease

The extraordinary general assembly may decide to reduce the capital if it exceeds the company's needs or if it incurs losses, and only in the latter case, the capital may be reduced to less than the limit stipulated in Article (54) of the Companies Law. The capital decrease decision shall only be issued after reading a special report prepared by the auditor on the reasons for it, and the obligations of the company, and the impact of decrease on these obligations.

1- The Extraordinary General Assembly may decide to decrease the capital if it exceeds the company's needs or if it incurs losses. In the latter case only the capital may be reduced to less than the limit stipulated in Article (59) of the Companies Law. The capital decrease decision shall only be issued after reading a statement in the General Assembly prepared by the Board of Directors on the reasons for the decrease and the company's obligations. It may be sufficient to present the aforementioned statement to the shareholders in cases where the decision of the General Assembly is not passed.

2- If the capital decrease is a result of its increase beyond the company's need, the creditors must be invited to express their objections to the reduction at least (forty-five) days prior to the date set for the extraordinary general assembly meeting to take the decision to decrease the capital, provided that the invitation is accompanied by a statement indicating the amount of the capital. The money before and after the reduction, the date of the meeting and the effective date of the reduction. If any of the creditor's objects and submits his documents to the company on the aforementioned date, the company must pay him his debt if it is due or

	<p>provide him with sufficient guarantee to fulfill it if it is deferred. The creditor who has notified the company of his objection to the reduction and whose debt has not been paid if it is immediate, or provided sufficient guarantee to pay it if it is deferred, may apply to the competent judicial authority before the date specified for the extraordinary general assembly to take a decision on the decrease, and the competent judicial authority in this case has to order the payment of the debt, to provide sufficient guarantee, or to postpone the meeting of the Extraordinary General Assembly, as the case may be.</p> <p>3- The capital decrease shall not be invoked by the creditor who submitted his request on the date provided for in Paragraph (2) of this Article unless he has received what has become due of his debt or has obtained sufficient security to settle what has not been discharged.</p>
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### **Article No (18): The Board of Directors**

<p>The company management will be undertaken by a board of directors consisting of six (6) members appointed by the ordinary general assembly for no more than three years, and the period of the first board of directors starts from date of issue of the ministerial resolution which states for company transfer, and it lasts for five years.</p>	<p>The company management will be undertaken by a board of directors consisting of six (6) members appointed by the ordinary general assembly for no more than four years, and they shall be elected through accumulative voting method.</p>
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### Article No (19): Expiry of the Board Membership

Membership of the Board ends with the expiration of its term or with the expiration of the member's validity for this membership in accordance with any law or instructions in force in the Kingdom. However, the Ordinary General Assembly may at any time 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 removal occurs for an unacceptable reasons or at an inappropriate time, and a member of the Board of Directors may retire, provided that this is at an appropriate time, otherwise he will be liable towards the company for the damages resulting from his retirement.

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### Article No (20): Vacancy in the Board

If a position is vacant in the board of directors, the board may appoint a member temporarily in the vacant position provided that the elected member fulfills conditions of experience and competence and the Capital Market Authority shall be informed of that within five (5) work

If a position is vacant in the board of directors, the board may appoint a member temporarily in the vacant position provided that the elected member fulfills conditions of experience and competence and the Commercial Registry and Capital Market Authority shall be informed of

<p>days from date of appointment, and appointment shall be proposed to the ordinary general assembly in its first meeting, and the new member will complete the period of his predecessor. However, if conditions required for holding the meeting of the board of directors are not fulfilled because the number of its members is less than the minimum limit as stipulated in the Companies Act or this act, other members shall invite the ordinary general assembly to be convened within sixty (60) days to elect the necessary number of members.</p>	<p>that within fifteen (15) work days from date of appointment, and appointment shall be proposed to the ordinary general assembly in its first meeting, and the new member will complete the period of his predecessor. However, if conditions required for holding the meeting of the board of directors are not fulfilled because the number of its members is less than the minimum limit as stipulated in the Companies Act or this act, other members shall invite the ordinary general assembly to be convened within sixty (60) days to elect the necessary number of members.</p>
<p><b>Article No (22): Selling of Company Assets</b></p>	
<p>The article is not existing in the present Articles of Association.</p>	<p>The board of directors is required to obtain consent of the general assembly upon selling company assets exceeding fifty percent (50%) of the value of its total assets whether sale is effected through one deal or several deals, and in this case the deal leading to fifty percent (50%) of the asset value will be the deal that the general assembly has to approve, and this percentage will be calculated from date of the first deal during the last twelve (12) months. The concerned authority has the right to exclude some works and acts from provision of this article.</p>
<p><b>Article No (23): Remuneration of the Board Members</b></p>	
<p>The remuneration of a member of the Board of Directors, if any, consists of a certain amount as estimated by the</p>	<p>The remuneration of a member of the Board of Directors, if any, consists of a certain amount as estimated by the</p>

<p>Ordinary General Assembly, provided that the total amount of remuneration received by a member of the Board of Directors does not exceed five hundred thousand riyals annually within the limits stipulated by the Companies Law and its regulations, and the report of the Board of Directors to the General Assembly must include a comprehensive statement of all that the members of the Board of Directors received during the fiscal year in terms of bonuses, expenses allowances, and other benefits. A statement of the number of council sessions and the number of sessions attended by each member from the date of the last meeting of the General Assembly.</p>	<p>Ordinary General Assembly, provided that the total amount of remuneration received by a member of the Board of Directors does not exceed the amount of five hundred thousand riyals annually, or attendance allowance for meetings, or in-kind benefits, or a certain percentage of net profits. It is also allowed to combine two or more of the foregoing, within the limits of what is stipulated in the Companies Law and its regulations, and the report of the Board of Directors to the Ordinary General Assembly must include a comprehensive statement of all that the members of the Board of Directors received during the fiscal year such as remuneration, allowances for attending meetings, allowances for expenses, and other things. The report shall also include a statement of what the members of the Council have received in their capacity as workers or administrators, or what they have received in return for technical, administrative or consulting work, and it shall also include a statement of the number of Council sessions and the number of sessions attended by each member from the date of the last meeting of the General Assembly.</p>
<p><b>Article No (25): Meetings of the Board</b></p>	
<p>The Board of Directors meets at least four times a year, with no less than one meeting every three months at the invitation of its chairman. The invitation will be in writing, by registered letter, or by e-mail. The Chairman of the Board of directors must invite the Board to a</p>	<p>1- The Board of Directors meets at least four times a year through an invitation by its chairman, and the Chairman of the Board must invite the Board to a meeting whenever so is requested in writing by any member in the board to discuss any</p>

<p>meeting whenever so is requested by two of the members.</p>	<p>one or more subject.</p> <ol style="list-style-type: none"> <li>2- Meeting of the board will not be valid unless it is attended by at least half of the members (personally or by proxy).</li> <li>3- The decisions of the board of directors shall be issued by at least the majority of the votes of the members present (in person or by proxy), and when the votes are equal, the side with which the chairman of the meeting voted will prevail.</li> <li>4- The Board of Directors shall determine the location of its meetings, which may be held using modern technology.</li> <li>5- The invitation to the members of the board shall be either in writing, by registered letter, or by e-mail.</li> </ol>
<p><b>Article No (26): Deputizing for attending meetings, validating the decisions of the Board, and issuing decisions on urgent matters</b></p>	
<p><b>Current Title of the Article: Quorum of the Board Meeting</b></p> <p>Meeting of the board will not be valid unless it is attended by half of the members at least provided that number of the attendees is not less than three members in person, and a board member may depute another member to attend meeting of the board according to the</p>	<p><b>The name of the article has been changed to: Delegation to attend meetings, the validity of the Council's decisions, and the issuance of decisions in urgent matters.</b></p> <ol style="list-style-type: none"> <li>1- A member of the Board of Directors may deputize any of the members to attend the meetings of the Board in accordance with the following conditions: <ul style="list-style-type: none"> <li>A - The representative member shall not have more than one</li> </ul> </li> </ol>

<p>following controls:</p> <ul style="list-style-type: none"> <li>a- A board of directors' member may not depute more than one member to attend that meeting.</li> <li>b- Deputation shall be stated in writing, and shall be made for one specific meeting.</li> <li>c- The deputy may not vote on decisions which the law forbids member appointing him to vote on.</li> </ul> <p>And the board decisions are issued with the majority of the opinions of the members attending personally or by proxy, and upon equality of the opinions, the party with which chairman votes shall have the casting vote.</p>	<p>deputation.</p> <ul style="list-style-type: none"> <li>B - The delegation must be fixed in writing and for a specific meeting.</li> <li>C - The deputy may not vote on decisions that the law prohibits the member appointing him from voting on.</li> </ul> <p>2- The decision of the Board of Directors shall be effective from the date of its issuance, unless it is stipulated in it that it will be effective at another time or when certain conditions are met.</p> <p>3- The Board of Directors may issue its decisions in urgent matters by presenting them to all members by circulation, unless one of the members requests - in writing - a meeting of the Board to deliberate on them, and those decisions are issued with the approval of the majority of the votes of its members, and these decisions are presented to the Board in its first subsequent meeting to record them in the minutes of that meeting.</p>
<p><b>Article No (28): Transformational (Constitutional Assembly)</b></p>	
<p>Founders invite all shareholders to hold the transformational assembly within forty five (45) days from date of decision of the ministry of giving a license for transformation of the company, and for holding a valid meeting it is required that a number of subscribers constituting half of the</p>	<p>Deletion of the article</p>

<p>capital at least attend the meeting, and if such quorum is not available, invitation will be made for a second meeting to be held fifteen days at least from date of inviting for it, or the second meeting may be held one hour after end of the term determined for holding the first meeting provided that this is indicated in the first meeting invitation.</p> <p>And in all cases the second meeting will be valid regardless of the number of subscribers represented in it.</p>	
<p><b>Article No (29): Authorities of the Transformational (Constitutional Assembly)</b></p>	
<p>The constitutional (transformational) assembly is concerned with the matters stated in Article No (63) of Companies Law.</p>	<p>Deletion of the article</p>
<p><b>Article No (30) Authorities of the Ordinary General Assembly</b></p>	
<p>Except for matters governed by the extraordinary general assembly, the ordinary general assembly is concerned with all matters related to the company, and it is held once at least in the year during the six months next to end of the company fiscal year, and other ordinary general assemblies may be invited as needed.</p>	<p>Except for matters governed by the extraordinary general assembly, the ordinary general assembly is concerned with all matters related to the company, and particularly:</p> <ol style="list-style-type: none"> <li>a. Election and removal of members of the Board of Directors.</li> <li>b Appointing one or more auditors for the company, as required by the law, determining his fees, reappointing him, and dismissing him.</li> <li>c. View and discuss the Board of Directors' report.</li> <li>d-View and discuss the company's</li> </ol>

	<p>financial statements.</p> <p>e. Discuss the auditor's report and take a decision on it.</p> <p>f. Deciding on the proposals of the Board of Directors regarding the distribution of profits.</p> <p>g. Forming the company's reserves and determine their use.</p> <p>The ordinary general assembly convenes at least once a year during the six months following the end of the company's fiscal year, and other ordinary general assemblies may be invited for as needed.</p>
<p><b>Article No (31): Authorities of the Extraordinary General Assembly</b></p>	
<p>The extraordinary general assembly is concerned with the amendment of the Articles of Association of the company except for the matters that are not allowed to be amended according to the law, and it may issue decisions in the matters which are originally included within the authorities of the ordinary general authority according to the same conditions and situations determined for the ordinary general assembly.</p>	<p>The extraordinary general assembly is concerned with the amendment of the Articles of Association of the company except for the matters that are not allowed to be amended according to the law, determining continuation or dissolution of the company and consent on company purchase of its shares, and it may issue decisions in the matters which are originally included within the authorities of the ordinary general authority according to the same conditions and situations determined for the ordinary general assembly.</p>
<p><b>Article No (32): Assemblies Invitation</b></p>	
<p>The general or special assemblies of the shareholders are convened according to an invitation by the board of directors, and the board of directors shall invite</p>	<p>The general or special assemblies of the shareholders are convened according to an invitation by the board of directors, and the board of directors shall invite</p>

<p>the general assembly to meet if so is requested by the auditor, the auditing committee or a number of shareholders representing (5%) of the capital at least. The auditor may invite the assembly to convene, if the board does not invite the assembly during thirty (30) days from date of the request of the auditor.</p> <p>This invitation for holding the general assembly shall be published on the website “of the market, or the company website, or in a daily paper distributed in the head office of the company (21) days at least before the time fixed for holding the meeting. Invitation can also be made by informing shareholders through registered letters to their addresses as registered in the shareholders register, or through modern means of technology and a copy of the invitation and the agenda will be sent to the Capital Market Authority at the date of announcing the invitation.</p>	<p>the general assembly to meet if so is requested by the auditor, the auditing committee or a number of shareholders representing (10%) of the capital at least. The auditor may invite the assembly to convene, if the board does not invite the assembly during thirty (30) days from date of the request of the auditor.</p> <p>This invitation for holding the general assembly shall be published on the website “Tadawul – Ifsah” or a daily paper distributed in the head office of the company (21) days at least before the time fixed for holding the meeting. Nevertheless, it is sufficient to send invitation in the said appointment to all shareholders through registered letters and a copy of the invitation and the agenda will be sent to the Capital Market Authority during the period determined for publishing.</p>
<p><b>Article No (33): Assemblies Attendance Record</b></p>	
<p>Shareholders intending to attend the general or special assembly shall register their names at the company head office before the time fixed for holding the assembly.</p>	<p>Shareholders intending to attend the general or special assembly shall register their names at the company head office before the time fixed for holding the assembly, and the meeting of the general assembly may be held, and the shareholder participates in deliberation and voting on the decisions through modern means of technology.</p>

### **Article No (36): Voting at Assemblies**

Each subscriber will have a vote for each share that it represents in the constitutional assembly, and each shareholder will have a vote for each share in the general assemblies, and accumulative voting shall be used in the election of the board of directors.

- 1- Each shareholder will have a vote for each share in the general assemblies, and accumulative voting shall be used in the election of the board of directors.
- 2- Members of the board of directors may not participate in voting on resolution of the assembly related to being discharged from responsibility for company management in relation to works and contract in which they have direct or indirect interest, or which involve conflict of interests.

### **Article No (40): Formation of the Committee**

An auditing committee shall be formed according to a resolution by the ordinary general assembly, and it shall be composed of three members from persons other than executive members of the board of directors who can be shareholders or others, and the decision shall determine functions of the committee, as well as controls of its work, and its members' remunerations.

An auditing committee shall be formed according to a resolution by the board of directors, and it shall be composed of three members from persons other than executive members of the board of directors who can be shareholders or others, and the decision shall determine functions of the committee, as well as controls of its work, and its members' remunerations.

### **Article No (44): Appointing Auditor**

The company shall have one or more of the auditors licensed to work in the kingdom, appointed by the ordinary general assembly annually and its remuneration and period of work will be determined by the assembly. The assembly may also at every time change it without violating its right in

The company shall have one or more of the auditors licensed to work in the kingdom, appointed by the ordinary general assembly and its remuneration and period of work will be determined by the assembly. The assembly may also remove the auditor without violating its right in compensation, and chairman of

<p>compensation if change is made untimely or for unlawful reason.</p>	<p>the board of directors shall notify the Capital Market Authority of the removal decision and its reasons within no more than five (5) days from date of issue of the resolution.</p>
<p><b>Article No (47): Financial Documents (Clause B-D)</b></p>	
<p>b- Chairman of the board of directors of the company and its CEO and financial manager shall sign the documents mentioned in clause (A) hereof, and copies thereof shall be deposited at the company head office under disposition of the shareholders (21) days at least before the time fixed for holding the general assembly.</p> <p>d- Chairman of the board of directors shall provide shareholders with the financial statements of the company, the report of the board of directors, and the auditor report if they are not published in a daily paper distributed in the company's head office, and he shall also send these documents to the Capital Market Authority (21) days at least before date of holding the ordinary general assembly.</p>	<p>b- Chairman of the board of directors of the company and its CEO and financial manager shall sign the documents mentioned in clause (A) hereof, and copies thereof shall be deposited at the company head office under disposition of the shareholders.</p> <p>d- Chairman of the board of directors shall provide shareholders with the financial statements of the company, the report of the board of directors after signing them, and the auditor report if they are not published through any of the modern means of technology, and he shall also send these documents to the Capital Market Authority (21) days at least before date of holding the ordinary general assembly.</p>
<p><b>Article No (51): Company Losses</b></p>	
<p>1- If the joint stock company losses reach half of its paid up capital at any time, during the financial year, each officer of the company or the accounts auditor should, as soon as he knows about that, inform the chairman, and the chairman should</p>	<p>If the joint stock company losses reach half of its paid up capital, the board of directors shall disclose that and declare the recommendations it has reached about the losses during sixty (60) days from date of work of its reaching to this amount, and shall invite extraordinary</p>

<p>in turn inform the board members of the event, and the board of directors shall, within fifteen (15) days from knowing about that call the extraordinary general assembly to meet within forty five (45) days from the date of knowing of the losses to decide whether to increase or reduce the capital pursuant to provisions of the Companies Law, to the extent that losses are lowered to less than half of the company's capital, or to dissolve the company before the time set out according to Companies Law.</p> <p>2- The company shall be considered as defunct by the force of the Companies Law if the general assembly has not held a meeting during the term mentioned in clause (1) hereof, or if it has convened and it was difficult for them to issue a decision on the subject, or if a decision is taken for increasing the capital, in accordance with the situations mentioned in this article, but no subscription is made to all capital increase within ninety (90) days of issuing the assembly's decision for the increment.</p>	<p>general assembly to meet within one hundred and eighty (180) days from date of knowing that to consider continuation of the company, and any of the necessary actions shall be taken to address or solve these losses.</p> <p>2-Deletion of the clause</p>
<p><b>Article No (53): Company Termination</b></p>	
<p>The Company shall enter the phase of liquidation as soon as it has become defunct and shall retain its body corporate character to the extent needed for the liquidation. The decision for</p>	<p>The Company shall enter the phase of liquidation as soon as it has become defunct and shall retain its body corporate character to the extent needed for the liquidation. The decision for</p>

<p>voluntary liquidation will be issued by the extraordinary general assembly. The liquidation decision shall include appointment of the liquidator and identification of his authorities, remuneration, and the restrictions on his powers and the time period required for the liquidation. The period of voluntary liquidation should not exceed five (5) years and must not be extended for more than this period without a judicial order. The power of the company's board of directors shall expire upon its dissolution. Nevertheless, board members shall remain responsible for the company's management and are considered towards the others as liquidators until the liquidator is appointed. The shareholders assemblies shall keep their authorities that do not conflict with the liquidator's authorities during the liquidation period.</p>	<p>liquidation will be issued by the general assembly. The liquidation decision shall include appointment of the liquidator and identification of his authorities, remuneration, and the restrictions on his powers and the time period required for the liquidation. The period of liquidation should not exceed three (3) years and must not be extended for more than this period without a judicial order. The power of the company's board of directors shall expire upon its dissolution. Nevertheless, board members shall remain responsible for the company's management and are considered towards the others as liquidators until the liquidator is appointed. The shareholders assemblies shall keep their authorities that do not conflict with the liquidator's authorities during the liquidation period.</p>
<p><b>Article No (54): Conformity of Articles of the Articles of Association to Companies Act</b></p>	
<p>The article is non existent in the current articles of association, and is added to the amended articles of association.</p>	<p>All articles and provisions of the articles of association of the company are consistent with and conforming to the new Companies Law issued by virtue of the Royal Decree No (M/132) dated 01-12-1443H</p>