

Sahara International Petrochemical Company (SIPCHEM)
(Saudi Arabian Joint Stock Company)



Company Bylaw

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Chapter No. (1)
Company Incorporation

Article No. (1):

A Saudi joint-stock company shall be established under the provisions of the Companies Law and its bylaws, under the following:

Article No. (2): Company Name

Sahara International Petrochemical Company (SIPCHEM)- Saudi Arabian Joint Stock Company.

Article No. (3): Purposes of the Company

1. Investment in industrial projects including:
 - Basic and intermediate petrochemical and chemical industries.
 - Metal Industries, including spare parts and metal molds.
 - Manufacturing and plastic industries.
 - Industries related to renewable energy.
2. Owning and implementing the necessary projects to provide the company with its requirements of raw materials and benefits.
3. Marketing the company's products inside and outside the Kingdom of Saudi Arabia.
4. Wholesale and retail trade related to the company's activities.
5. Owning all kinds of real estate, constructing the necessary buildings, warehouses, exhibitions necessary to display its products, and other aspects that the company needs to use in manufacturing, storing, selling, and buying.
6. Establishment the laboratories Management, research and development centers.

The company carries out its activities following the applicable regulations and obtaining the necessary licenses from the competent authorities.

Article No. (4): Participation and, shares Ownership in Other Companies

The Company may establish companies alone (Limited Liability Company or Closed Shareholding Company) provided that the company capital shall not be less than (5) Million Saudi Riyals. The Company may own shares and stocks in other existing companies or merge with these companies. The Company shall have the right to participate with others in establishing Joint Stock Companies or Limited Liability Companies inside and outside the Kingdom of Saudi Arabia after fulfilling the requirements of applying the laws and regulations in this regard.

Article No. (5): The Company Head Office

The Company's Head office is located in Al-Khobar in the Kingdom of Saudi Arabia, and the Board of Directors may establish other branches, offices, or other agencies inside or outside the Kingdom.

Article No. (6): Company Term

The Company's Term is (99) Gregorian years starting from the date of the issuance of the decision of His Excellency the Minister of Commerce and Investment announcing its establishment. This term may be extended to other similar or shorter periods by a decision issued by the Extraordinary General Assembly at least one year before the expiry of its term.

Chapter No. (2)

Capital and Shares

Article No. (7): Capital

The Company's capital is (7,333,333,320) seven billion, three hundred and thirty-three million, three hundred and thirty-three thousand three hundred and twenty Saudi riyals, divided into (733,333,332) seven hundred and thirty-three million, three hundred and thirty-three thousand three hundred and thirty-two of equal value shares. The value of each share is (SAR 10), and all of these shares are ordinary shares.

Article No. (8): Shares Offering (IPO).

The shareholders have subscribed to all the company's shares counting (733,333,332) seven hundred and thirty-three million three hundred and thirty-three thousand three hundred and thirty-two shares and have paid their value in full.

Article No. (9): Preferred Shares

In accordance with the set bylaws by the competent authority, the extraordinary assembly of the company may issue preferred shares. The extraordinary assembly may decide to buy these shares, convert the ordinary shares into preferred shares or convert preferred shares into ordinary shares. Preferred shares shall not give the right to vote in the general assemblies of shareholders. These shares arrange for their owners the right to obtain more than the owners of ordinary shares from the company's net profits after setting aside the statutory reserve.

Article No. (10): Sale of Partly Paid-up Shares

A shareholder shall pay the value of a share at the specified dates. If a shareholder fails to pay on the due date, the Board of Directors may, after notifying such shareholder by publishing in the daily newspapers or by the registered mail sent to its address as recorded in the shareholder register, sell

such share in a public auction or the capital market, as the case may be, under the applicable laws and regulations by the competent authority.

However, the shareholder in default up to the sale date may pay the due amount, in addition to any expenses incurred by the Company.

The Company shall receive the amounts due thereto from the sale proceeds and return any remaining amount to the shareholder. If the sale proceeds are insufficient to cover these amounts, the Company may satisfy such amounts from the shareholder. The Company shall cancel the sold share following the provisions of this article. The company shall give the purchaser a new share bearing the number of the canceled share and shall indicate in the shareholder register that the sale has taken place and shall mention the name of the new shareholder.

Article No. (11): Issuance of Shares

The shares are nominal. The shares may not be issued for a value lesser than their nominal value. The Company may issue shares for a value higher than their nominal value, provided that the difference in value shall be added in a separate item within the shareholder rights and may not be distributed to shareholders as dividend. A share is indivisible against the Company. If multiple persons own a share, they shall select one to represent them in practicing the rights relating to the share. These persons shall be jointly liable for the obligations arising from the share ownership.

Article No. (12): Shares Trading

The Trading Shares by the founders may not be traded except after publishing the financial statements for two financial years, each of which is not less than twelve months from the company incorporation date. The founders shall sign the bonds of these shares indicates their type, the date of incorporation of the company, and the period during which the trading is prohibited.

During the prohibition period, the ownership of shares may be transferred following the provisions of the sale of rights from one of the founders to another founder or the heirs of one of the founders in the event of its death to others or in the case of execution on the funds of the insolvent or bankrupt founder, provided that the priority of owning those shares shall be given to the other founders.

The provisions of this article shall apply to what the founders offer in the event of a capital increase before the expiration of the prohibition period.

Article No. (13): Shareholder Register

The company's shares shall be traded under the provisions, regulations, laws, and rules of the Saudi Stock Exchange Regulations.

Article No. (14): Capital Increase

1. The Extraordinary General Assembly may decide to increase the Company's capital provided that the capital has been paid in full. The capital shall not require to be fully paid up if the unpaid portion of the capital relates to shares issued in exchange for the conversion of debt instruments or financing instruments into shares and the prescribed period for conversion into shares has not expired yet.
2. The Extraordinary General Assembly may allocate, in all cases, all or part of the shares issued for a capital increase to employees of the Company and / or all or part of its subsidiaries. Shareholders may not exercise pre-emptive rights if the Company issues shares for employees.
3. When the Extraordinary General Assembly issues a resolution approving the capital increase, a shareholder shall have the right to offer new shares issued against cash contribution. Such a shareholder shall be informed of their pre-emptive right by publishing a notice in a daily newspaper or by notifying the shareholders through registered mail of the resolution of the capital increase and the conditions, duration, and commencement, and expiry date offers.
4. The extraordinary general assembly shall have the right to suspend the priority right for shareholders to offer an increase in capital in exchange for cash shares or prioritize non-shareholders in necessary cases in the company's interest.
5. A shareholder may sell or assign the pre-emptive right during the period from the date the General Assembly resolution approving the capital increase is adopted until the last day of subscription to the new shares related to such right, under the controls set by the competent authority.
6. Subject to Paragraph No. (4) above, the new shares shall be distributed to holders of the pre-emptive right who requested subscription in proportionate to their pre-emptive right of the total pre-emptive rights resulting from the capital increase, provided that the shares they receive do not exceed the number of new shares they requested. The remainder of the new shares shall be distributed to holders of the pre-emptive right who requested more than their respective shares in proportionate to their pre-emptive right of the total pre-emptive rights resulting from the capital increase, provided that the shares they receive do not exceed the number of new shares they requested. The remaining shares shall be offered to third parties unless the Extraordinary General Assembly decides or the Capital Market Law (CML) states otherwise.

Article No. (15): Capital Reduction

The Company's capital may be reduced, by resolution of the Extraordinary General Assembly, if the capital exceeds the Company's need or if the Company suffers losses. In the latter case only, the capital may be reduced below the limit stipulated in Article No. (54) of the Companies Law. The reduction resolution may only be issued after the Extraordinary General Assembly examines the auditor's Report explaining the reasons for the reduction, the Company's obligations, and the effect of the reduction on these obligations.

If the capital reduction is a result of the capital being over the Company's need, the creditors shall be invited to submit their objections to the reduction within sixty days from the date the reduction decision is published in a daily newspaper distributed in the area where the Company's head office

is located. If a creditor objects to such reduction and submits to the Company their documents on the specified date, the Company shall pay their debt if already due or shall provide them with sufficient guarantee to satisfy their debt if it is due in the future.

Article No. (16): Debt Instruments and Financing Sukuk

The company may issue any negotiable debt instruments such as bonds or financing Sukuk inside or outside the Kingdom of Saudi Arabia, under the laws and regulations applicable to debts when issued and traded.

The Ordinary General Assembly, by a resolution thereof, may delegate to the Board of Directors the authority to issue these debt instruments, including bonds or Sukuk, whether in part or several parts or through a series of issues under one or more programs established by the Board of Directors from time to time, all at times, amounts and conditions decided by the company's board of directors. The company's board of directors shall have the right to take all necessary measures to issue it.

Article No. (17): Purchase of shares

The company may buy or sell its shares, whether ordinary or preferred or pledge them. The company may also purchase its shares to allocate them to the company's employees within the employee stock program, following the controls set by the competent authority. The shares created by the company shall not have votes in the shareholders' assemblies.

Chapter No. (3) **Board of Directors**

Article No. (18): Company Management

The company shall be managed by a board of directors consists of eleven (11) members appointed by the ordinary general assembly for a period not exceeding three years.

Article No. (19): Expiry of Board Membership

The Membership of the Board shall terminate upon the expiry of its term or by the expiry of its membership in accordance with any regulations or instructions applicable in the Kingdom of Saudi Arabia, However, the Ordinary General Assembly may, at any time, dismiss all or some of the Board members without prejudice to the right of a dismissed member to claim compensation if the directors are dismissed for an unacceptable reason or at an inappropriate time.

A Board member may step down, provided that this takes place at an appropriate time; otherwise, such member shall be liable to the Company for the damage caused by stepping down.

Article No. (20): Vacant Positions in the Board

If the position of a Board member becomes vacant, the Board may appoint a member to temporarily fill the vacancy, provided that such member shall meet the conditions of experience and efficiency. The Ministry of Commerce and Investment shall be notified accordingly within five (5) days from the appointment date. The appointment shall be referred to the ordinary general assembly in its first meeting. The new member shall complete the term of its predecessor. If the board of directors fails to convene due to not satisfying the minimum number of members as prescribed in the Companies Law or these Bylaws, the existing members shall call for an Ordinary General Assembly within (60) sixty days to elect the required number of members.

Article (21): Authorities of the Board of Directors

Considering the competencies prescribed for the General Assembly, the Board of Directors shall have the absolute authority to manage the company and conduct its business and affairs inside and outside the Kingdom of Saudi Arabia. The Board of Directors or whoever it authorizes among the members of the Board of Directors or others, collectively or individually, may represent the company in its relations with others, and before all public and private courts, judicial bodies, the Board of Grievances, labor and workers offices, higher and primary committees, commercial papers committees, all bodies and committees, other judicial and arbitration bodies, civil rights, police departments, chambers of commerce and industry, notary public, the Electricity and Cogeneration Regulatory Authority, the General Investment Authority, financial and banking committees, the Customs Authority, customs committees, private bodies, companies and institutions of all kinds. It also has the right to acknowledge, demand, defend, plead, litigate, settle, accept and reject judgments, arbitrate, request implementation of judgments, oppose them, and collect what unfolds from implementation. It also has the right to contract, commit and be associated with the company in the name of and on behalf of the company, enter into tenders and agree with other parties to form unions to apply for projects, carry out all acts and actions, and sign all types of contracts, documents, and papers. It also has the right to appoint and dismiss the company's employees and staff, determine their salaries and bonuses, and loans granted to them, set the company's policies in all other matters related to the company's employees and staff, request banking facilities for companies in which the company is a partner, sign contracts and agreements related to the guarantees of the company in which the company is a partner, sign Islamic Murabaha agreements and investment contracts, assign rights and benefits, sign treasury agreements, works and products, conduct all banking transactions necessary for the company's activity, including opening, managing and operating bank accounts of all kinds in the name of the company, appoint delegates to manage those accounts and determine their authorities, issue and sign cheques, bills of exchange, promissory notes, commercial and civil bonds, their acceptance and endorsement, withdrawals, exchanges, deposits and receipts in the name of the company, close bank accounts, approve and accept account statements, open credits, drawings and deposits with banks, mortgage real estate, movables or shares, release all kinds of mortgages, collect the company's dues and pay its liabilities, sign loan agreements and contracts and any amendments thereto, including any related documents such as

mortgage of accounts, real estate guarantees, balances, current and investment accounts of all kinds, bank guarantees, and issue guarantees to funds and government financing institutions. It can also sign all papers, documents, partnerships, all banking transactions, financial derivative contracts in favor of the company or companies in which the company is a partner, company shares and their mortgages, and any other guarantee documents, release them and any loans from the company as a partner, agreements to give priority to third party debts and the like, allow others to use all or part of the facilities granted to the company or companies in which the company is a partner, appoint and dismiss the company's representatives, agents, and advisors, release, drop and accept arbitration, appoint and dismiss arbitrators and experts, determine their fees, and issue the power of attorneys on behalf of the company. It also has the right to sell, buy, empty, accept, receive, deliver, rent, lease, collect and pay, and authorize the sale, delivery, and emptying of housing units allocated to its employees or dependents before the notary public and official government agencies. The Board can also incorporate other fully owned companies inside or outside the Kingdom, participate with others in incorporating other companies inside or outside the Kingdom, withdraw from these companies, sell the company's shares in these companies, buy new shares in them, or in other existing companies, or increase or decrease the company's capital, whether the company contributes to the increase or not, receive dividends, represent the company in the assemblies of partners, shareholders and constituent assemblies, voting on behalf of the company on the resolutions of the partners and in the assemblies of shareholders and constituent assemblies, nominate the company's representatives in these assemblies and sign the resolutions of partners, shareholders, agreements and deeds before notary public and official bodies, make any amendment to the articles of association of these companies, whatever the type of such amendment, and sign all partners' resolutions and minutes of meetings in these companies that are necessary to enforce these amendments, including submitting before the notary public the appendices of amending the articles of association of these companies, whatever the content of this amendment, sign the partners' resolutions regarding the appointment or dismissal of managers in these companies, carry out all work, and take all necessary measures to issue and receive permits and licenses for these companies, conclude lease and insurance contracts on the company's property, do everything necessary to implement any new law or amendment to an existing law, regulations or instructions from the competent authorities in the Kingdom of Saudi Arabia, prepare the company's financial statements and profit and loss accounts, and take the necessary steps to prepare and maintain correct ledgers for the company in respect of all income and expenses, all contracts and purchases entered into by the company, and the assets and liabilities of the company. The ledgers shall be kept at the company's head office or any other place in Saudi Arabia to be determined for this purpose. The Board has the right to issue bonds and Sukuk, whether for public subscription or otherwise, in the amounts, terms, and times determined by the Board under the controls and procedures stipulated in the Companies Law and the current or future regulations governing these actions. The Board may delegate and authorize any person in all or some of the authorities of the Board, and the authorized has the right to delegate the authorities to others.

The Board of Directors may sell real estate and property of the company, provided that the minutes of the Board of Directors' meeting include the reasons for its resolution to act, taking into account the following conditions:

1. The Board shall determine in the sale resolution the reasons and justifications for for the sale.
2. The sale price should be close to the price of the same item..
3. The sale process shall be in person, except in cases determined by the Board with sufficient guarantees.
4. This act shall 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 agree on loans and provide the necessary guarantees for this with funds, portfolios, bodies, governmental and semi-governmental financing institutions, commercial and non-commercial entities, and banks inside and outside the Kingdom of Saudi Arabia, regardless of the term of those loans, provided that their terms do not exceed the end of the company's term, including loans whose terms exceed (3) three years.

The Board of Directors may provide financial support to any of its subsidiaries or companies in which the company is a partner, guarantees of government and bank credit facilities obtained by any of the companies in which the company is a partner, and waives the priority debt repayment.

The Board of Directors shall, in the cases it determines, have the right to release the company's debtors from their obligations following what serves its interests, provided that the Board of Directors' minutes of meeting include the rationale for its resolution under the following conditions:

1. The release shall be at least one full year after the debt arose.
2. The release shall be for a specified maximum amount per year for one debtor.
3. Debt Release is a right of the Council and may not be delegated.

Article (22): Remuneration of Board Members

The remuneration of the board of directors' members shall be a certain amount, attendance allowance for meetings, in-kind benefits, or a certain percentage of the net dividends. It is permissible to combine two or more of these benefits, and in all cases, what the Board member receives in terms of remuneration, expense allowance, and other financial or operational benefits shall not exceed the specified amount under the provisions of the Companies Law and its regulations and the controls set by the competent authorities. The report of the Board of Directors to the Ordinary General Assembly must include a comprehensive statement of all the remunerations, allowances, and other benefits received by the members of the Board during the financial year, and also include a statement of what the members of the Board received in their capacity as workers or administrators, or what they received in return for technical, administrative or consulting work.

It shall also include a statement of the number of Board meetings and the number of meetings attended by each member from the date of the last meeting of the General Assembly.

Article (23): Authorities of the Chairman, Vice-Chairman, Managing Director, and Secretary

The Board of Directors shall appoint a Chairman and a Vice-Chairman from among its members, and it may appoint a managing Director. It is not permissible to combine the Chairman of the Board of Directors with any other executive position in the company, and the Vice-Chairman of the Board of Directors shall replace the Chairman of the Board of Directors in his absence.

The Chairman of the Board shall be responsible for representing the company with its relations with others, before the judiciary and the notary, and before all government departments, committees for settling disputes of all kinds and degrees, and all other bodies. The Chairman shall have the right to buy, sell and empty land and real estate on behalf of the company, the right to sign contracts for the establishment of the companies it participates in and other contracts, the right to authorize the Chief Executive Officer and others in any of these authorities. The Board of Directors determines the other authorities of each of the Chairman of the Board, the Managing Director, and the Chief Executive Officer, and determines what they are entitled to in terms of remuneration and other financial benefits other than the remuneration determined for members of the Board of Directors.

The Managing Director shall be responsible for following up the implementation of the policy drawn up by the Board of Directors and other authorities and authorities delegated to him by the Board of Directors.

The Board of Directors shall appoint a Chief Executive Officer of the company and defines his authorities, responsibilities, salary, and term of tenure for this position.

The Board of Directors shall appoint a secretary from its members or from others, who shall be responsible for recording the minutes of the Board's meetings, recording and keeping the resolutions issued during these meetings, in addition to exercising other authorities assigned to him by the Board.

The term of the Chairman, Vice-Chairman, Managing Director, and the Secretary, who is a Board member, shall not exceed the term of their membership in the Board, and they may be re-elected. The Board may dismiss them or any of them at any time without prejudice to the right of the dismissed person to be compensated unless the dismissal occurred for an illegal reason or at an inappropriate time.

Article (24): Board Meetings

The Board of Directors shall hold (4) four meetings a year at least, with no less than one meeting every three months, at or outside the company's head office, at the invitation of its Chairman. The invitation shall be in writing, using modern technology, by e-mail, or delivered by hand or fax, and the Chairman shall call for a meeting whenever requested to do so in writing by two of the members.

Article (25): Board Meeting Quorum

The Board meeting shall not be valid unless attended by at least (6) members, provided that the number of attendees is not less than (3) three members in person. If a member of the Board of Directors delegates another member to attend the Board meeting, the delegation must be under the following controls:

1. A board of directors' member may not represent more than one member in attending the same meeting.
2. The delegation must be proved in writing and for a specific meeting.
3. The representative may not vote on resolutions that the law prohibits the represented from voting on.
4. Board resolutions are issued by a majority of the members' votes present or represented, and when the votes are equal, the chairman's side shall prevail.

The Chairman of the Board may approve the holding of Board meetings using modern technology or by live video and audio transmission so that Board members can participate effectively and in a way that enables them to listen, follow up on the visual presentation, give an opinion, discuss and vote on resolutions.

Article (26): Board Deliberations

The deliberations and resolutions of the Board shall be recorded in minutes signed by the Chairman of the Board, the members of the Board of Directors present, and the Secretary. These minutes shall be recorded in a special register signed by the Chairman and the Secretary.

In urgent matters, the Board may issue resolutions by passing them to individual members unless one of the members' requests - in writing - a meeting of the Board to deliberate thereon. These resolutions shall be submitted to the Board of Directors at its first subsequent meeting.

Article (27): Board Committees

The Board of Directors shall form the appropriate committees for the company's business as needed, delegate authorities to these committees as the Board deems appropriate, and coordinate between these committees to quickly decide on the matters presented to it.

Board committee meetings can be held using modern technology or by live video and audio transmission so that committee members can participate effectively and in a way that enables them to listen, follow up on the visual presentation, give an opinion, discuss and vote on resolutions.

Chapter Four

Shareholders' Assemblies

Article (28): Attending Assemblies

1. A properly constituted General Assembly shall represent all the shareholders and be held in the city where the company's head office is located. It may be held in any other city within the Kingdom of Saudi Arabia under a board of directors' resolution.
2. According to the controls set by the competent authority, the General Assembly of shareholders may also be held, and the shareholder may participate in its deliberations and vote on its resolutions using modern technology.
3. Regardless of the number of his shares, every shareholder has the right to attend the general assemblies. For this, he may delegate another person other than the board of directors or the company's employees to attend the General Assembly.

Article (29): Authorities of the Ordinary General Assembly

Except for the matters of the Extraordinary General Assembly, the Ordinary General Assembly is concerned with all matters relating to the company and is 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 for whenever the need arises.

Article (30): Authorities of the Extraordinary General Assembly

The Extraordinary General Assembly is concerned with amending the company's bylaw, except for matters that can't be amended under the law.

It may issue resolutions on matters originally within the competencies of the Ordinary General Assembly, according to the terms and conditions established for the Ordinary General Assembly.

Article (31): Calling and Convening Assemblies

Shareholders' general assemblies shall be convened at the board of directors' call, and the Board shall call the General Assembly to convene if requested by the auditor, the audit committee, or a number of shareholders representing at least (5%) five percent of the capital. The Auditor may call the assembly to convene if the Board does not call the assembly within (30) thirty days from the date of the auditor's request.

The call for convening the General Assembly shall be published on the stock exchange website (Tadawul), on the company's website, and in a daily newspaper distributed in the company's head office, at least twenty-one days before the date set for the meeting. However, it may be sufficient to send the call on the date mentioned above to all shareholders by registered letters.

A copy of the convening call and the plan shall be sent to the Ministry of Commerce and the Capital Market Authority within the period specified for publication.

Article (32): Register for attending the Assemblies

Shareholders who wish to attend the General Assembly shall register their names at the company's head office before the time specified for the assembly, and the company may use modern and electronic technology means to register the shareholders' attendance.

Article (33): Quorum of the Ordinary General Assembly Meeting

The Ordinary General Assembly meeting shall not be valid unless attended by shareholders representing at least one-quarter of the capital. If this quorum is not present at this first meeting, a second meeting shall be called to be held an hour after the end of the period specified for convening the first meeting, provided that the call hold for the first meeting includes an announcement of the possibility of holding this meeting. In all cases, the second meeting shall be valid regardless of the number of shares represented therein.

Article (34): Quorum of the Extraordinary General Assembly Meeting

The Extraordinary General Assembly meeting shall not be valid unless attended by shareholders representing at least half of the capital. If this quorum is not present in the first meeting, a second meeting shall be called to be held an hour after the end of the period specified for convening the first meeting, provided that the call to hold the first meeting includes an announcement of the possibility of holding this meeting, and the second meeting shall be valid if attended by a number of shareholders representing at least a quarter of the capital. If the necessary quorum is not present in the second meeting, a third meeting shall be called to be held under the same conditions stipulated in Article (31) of this law. The third meeting shall be valid regardless of the number of shares represented therein after the approval of the competent authority.

Article (35): Voting at Meetings of the Assemblies

Each shareholder has a vote for each share in the general assemblies, and the votes in the general assemblies are calculated based on one vote for each share. Cumulative voting is used to elect the Board of Directors so that the right to vote for a share may not be used more than once. However, members of the Board of Directors may not participate in voting on the resolutions of the assembly related to their release from liability for the company's management or that relate to direct or indirect interest to them.

Article (36): Resolutions of the Assemblies

The Ordinary General Assembly Resolutions shall be issued by an absolute majority of the shares represented at the meeting. The resolutions of the Extraordinary General Assembly shall also be issued by a two-thirds majority of the shares represented in the meeting, unless the resolution is related to an increase or decrease in the capital, an extension of the company's term, the dissolution of the company before the expiry of the period specified in its articles of association, or its merger with a company or other institution, in which case the resolution is not valid unless it is issued by a majority of three-quarters of the shares represented at the meeting.

Article (37): Discussion in Assemblies

Each shareholder shall have the right to discuss the topics listed on the assembly agenda and direct questions about them to the board of directors and the auditor. The Board or the Auditor shall answer the shareholders' questions to the extent that does not jeopardize the company's interest. If the shareholder finds that the answer to his question is not convincing, he may appeal to the assembly, and its resolutions in this regard shall be valid.

Article (38): Presiding over Assemblies and Preparation of Minutes

The meetings of the general assemblies of shareholders shall be chaired by the Chairman of the Board of Directors or the Vice-Chairman in his absence, or whoever is delegated by the Board from its members for that role in the Chairman's absence and Vice-Chairman. The president of the assembly shall appoint a secretary and a vote-collector.

Minutes of the meeting of the assembly shall be drawn up containing the names of the shareholders present or represented, the number of shares they hold in person or by proxy, the number of votes assigned to them, the resolutions taken, the number of votes that approved or disagreed with them, and a complete summary of the discussions that took place at the meeting. The minutes shall be recorded regularly after each meeting in a special register signed by the assembly's president, secretary, and vote collector.

Chapter Five

Audit Committee

Article (39): Formation of the Audit Committee

A resolution of the Ordinary General Assembly shall form an audit committee consisting of no less than (3) three members and no more than (5) five members who are not members of the Executive Board of Directors, whether from shareholders or others. The resolution shall specify the committee's tasks, its work controls, and the remuneration of its members.

Article (40): Audit Committee Meeting Quorum

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

Article (41): Powers of the Audit Committee

The Audit Committee shall be responsible for monitoring the company's business, and for this, it has the right to review its records and documents and to request any clarification or statement from the members of the Board of Directors or the executive management, and it may ask the Board to call for the General Assembly to convene if the Board obstructs its work or the company is exposed for serious damage or loss.

Article (42): Reports of the Audit Committee

The Audit Committee shall consider the company's financial statements, reports, and notes provided by the auditor and express its views on them if any, and it shall also prepare a report on its opinion regarding the adequacy of the company's internal control system and the other work it has carried out within the scope of its competence. The Board of Directors shall deposit sufficient copies of this report at the company's head office at least twenty-one (21) days before the date of the General Assembly to provide each shareholder a copy of it, and the report shall be read during the assembly's meeting.

Chapter Six

The Auditor

Article (43): Appointment of the Auditor

The company must have an Auditor (or more) from among the auditors licensed to work in the Kingdom of Saudi Arabia, and the General Assembly shall appoint them annually and determine their remuneration and the duration of their work.

The Assembly may also change the Auditor at any time without prejudice to their right to compensation if the change occurred at an inappropriate time or for an illegal reason, and it shall be under the laws and resolutions in force in this regard.

Article (44): Powers of the Auditor

The Auditor at any time has the right to review the company's books, records, and other documents, and also has the right to request data and clarifications that he deems necessary to obtain to verify the company's assets and liabilities and other things that fall within the scope of his work.

The Chairman of the Board of Directors shall enable him to perform his duty, and if the Auditor encounters difficulty in this regard, he shall prove this in a report submitted to the Board of Directors. If the Board does not facilitate the work of the auditor, it must request the Board of Directors to call for the Ordinary General Assembly to look into the matter, and the Auditor may not disclose to shareholders or others not in the General Assembly anything that has come upon him from the company's secrets because of his access to the company's documents and records.

Chapter Seven

Company Accounts and Dividends

Article (45): Financial Year

The company's financial year begins on January 1 and ends on December 31 of each Gregorian year, provided that the first financial year begins from the date of the ministerial resolution announcing the incorporation of the company and ends on December 31 of the following Gregorian year.

Article (46): Financial Documents

1. At the end of each financial year of the company, the Board of Directors must prepare the company's financial statements and a report on the company's activity and financial position for the past financial year. The Board shall place these documents at the disposal of the Auditor at least (45) forty-five days before the date set for convening the General Assembly.
2. The Company's Board of Directors, chief executive officer, and financial manager must sign the documents referred to in paragraph (1) of this article, and copies of them shall be deposited at the company's head office at the shareholders' disposal at least 21 days before the date set for convening the General Assembly.
3. The Chairman of the Board of Directors shall provide the shareholders with the company's financial statements, the Board's report, and the auditor's report unless they are published in a daily newspaper distributed in the company's head office. He must also send a copy of these documents to the Ministry and the Capital Market Authority, at least 21 days before the date of convening the General Assembly.

Article (47): Entitlement to Dividends

The shareholder shall be entitled to his share of the dividends under the General Assembly's resolution issued in this regard. The resolution shall indicate the maturity date and the date of distribution. The eligibility of dividends shall be for the owners of shares registered in the shareholders' records at the end of the day specified for entitlement.

Article (48): Distribution of Dividends

The company's annual net dividends shall be distributed after deducting all general expenses and other costs as follows:

1. (10%) of the net dividends shall be reserved to form a statutory reserve for the company, and the Ordinary General Assembly may stop this process when the said reserve reaches 30% of the paid-up capital.
2. The Ordinary General Assembly, upon the proposal of the Board of Directors, may set aside a certain percentage of the net dividends to form a consensual reserve and allocate it for purposes that benefit the company.
3. The Ordinary General Assembly may decide to form other reserves to the extent that achieves the company's interest or ensures the distribution of fixed dividends as much as possible to the shareholders. The assembly mentioned above may also deduct sums from the net dividends for establishing social institutions for the company's employees or for the assistance of existing such institutions.
4. A percentage of no less than (5%) five percent of the paid-up capital shall be distributed to the shareholders from the remainder thereafter.
5. Subject to the provisions stipulated in Article (22) of these articles, and Article (76) of the Companies Law, which allocates after the previous a percentage not exceeding (10%) ten percent of the remainder as remuneration to the Board of Directors, provided that the entitlement to this remuneration is proportional to the number of meetings attended by the member.

The company may also distribute dividends to its shareholders on a quarterly or semi-annual basis if its financial capabilities permit, provided that the company, when doing so, abides by the conditions, controls, and instructions issued in this regard by the competent authorities.

Article (49): Payment of Dividends

The dividends to be distributed to the shareholders shall be paid at the place and dates determined by the Board of Directors under the instructions issued by the Ministry of Commerce and Investment and the Capital Market Authority.

Article (50): Company's Losses

1. If the company's losses amount to half of the paid-up capital, at any time during the financial year, any official in the company or the Auditor must immediately inform the Chairman of the Board of Directors. The Chairman shall immediately inform the members of the Board, and the Board, within (15) fifteen days of becoming aware of this, shall call for the Extraordinary General Assembly to convene within (45) forty-five days from the date of being aware of the losses, to decide either to increase or decrease the capital under the provisions of the Companies Law to the extent that the percentage of losses decreases to less than half of the paid-up capital, or to dissolve the company before the term specified in the Companies Law.
2. The company shall be considered dissolved by the force of the Companies Law if the General Assembly did not convene within the period specified in paragraph (1) of this article, or if it convened and was unable to issue a resolution in the matter, or if it decided to increase the capital following the conditions established in this article and the subscription for an increase was not made within ninety days from the issuance of the Assembly's resolution to increase the capital.

Chapter Eight Disputes

Article (51): Liability Action

Every shareholder has the right to file a liability lawsuit for the company against the board of directors' members if the mistake made by them causes special damage to the shareholder. The shareholder may not file the lawsuit mentioned above unless its right to file still exists. The shareholder must inform the company of his intention to file the lawsuit.

Chapter Nine Dissolution and Liquidation of the Company

Article (52): Expiration of the Company

As soon as the company's term expires, it enters the liquidation stage and retains the legal capacity to the extent of the liquidation. The Extraordinary General Assembly issues the voluntary liquidation resolution. The liquidation resolution must include the appointment of the liquidator, his authorities and fees, the restrictions imposed on his authorities, and the time required for

liquidation. The period of voluntary liquidation must not exceed (5) five years. It may not be extended for more than that except by judicial order, and the authority of the company's Board of Directors ends with its dissolution. However, these people remain in charge of the company's management and are considered liquidators for third parties until the liquidator is appointed. Shareholders' assemblies shall remain in place during the liquidation period, and their role shall be limited to exercising their authority that does not conflict with the authorities of the liquidator.

Chapter Ten Final Provisions

Article (53):

The Companies Law and its Bylaws shall be applied in everything not provided for in these Articles of Association.

Company's Name	Company Bylaw	Ministry of Commerce Approval (Corporate Governance)
Sahara International Petrochemical Company (SIPCHEM) 2051023922	Approval Date: 10/11/1442 AH Corresponding to 20/06/2021 AD	Assaf Al-Tabbani //Seal of Ministry of Commerce and Investment//

A copy of these Articles was issued upon the resolution of the Extraordinary General Assembly on 18/10/1442 AH.