

(Annex)

Proposed Amendments to Modern Mills Company's Bylaws Articles

No.	Current Text	New Text
1	<p>Article 1: Incorporation</p> <p>The company is incorporated in accordance with the provisions of the Companies Law issued by Royal Decree No. (M/132) dated 1/12/1443 Hijri, and its executive regulations. It pertains to the bylaws of a Saudi Closed Joint Stock Company as follows:</p>	<p>ARTICLE 1: Incorporation</p> <p>The company was established in accordance with the provisions of the Companies Law issued by Royal Decree No. (M/132) dated 01/12/1443 H, and the Executive Regulations of the Companies Law concerning publicly listed joint stock companies, issued by the decision of the Capital Market Authority Board No. 8-127-2016 dated 16/01/1438 H, (corresponding to 17/10/2016 G), as amended by the Authority Board decision No. 2-6-2023 dated 05/09/1444 H, (corresponding to 27/03/2023 G), and any amendments thereto. These Bylaws is for a Saudi public joint stock company as follows:</p>
2	<p>Article 2: Company's Name</p> <p>Modern Mills Company (Closed Joint Stock Company)</p>	<p>Article 2: Company's Name</p> <p>Modern Mills Company (Saudi Joint Stock Company)</p>
3	<p>Article 8: Subscription to Shares</p> <p>The founders subscribed to the entire capital shares amounting to (SR 81,832,000) riyals and were fully paid up.</p>	<p>Article 8: Subscription to Shares</p> <p>The shareholders subscribed to the entire capital shares amounting to (SR 81,832,000) riyals and were fully paid up.</p>
4	<p>Article 9: Shareholder Register</p> <p>1. The company maintains a private register listing the shareholders' names, nationalities, personal details, places of residence,</p>	<p>Eliminate the Clause and adjust the numbering of the following Clauses in sequence</p>

	<p>professions, the number of shares owned by each, share numbers, and the amount paid on them. The company may contract out the preparation of this register, which must be kept within the Kingdom.</p> <p>2. The company is required to provide the commercial registry with the information from the register mentioned in paragraph (1) of this article and any modifications thereto within fifteen (15) days from the date the company is registered with the commercial registry or from the date of amendment, as applicable.</p>	
5	<p>Article 10: Trading of shares</p> <p>The company's shares are traded upon registration in the shareholders' registry, and the transfer of ownership of the share vis-à-vis the company or others is only effective from the date of this registration.</p>	<p>Article 9: Trading of shares</p> <p>The company's shares are traded in accordance with the Capital Market Law and its implementing regulations.</p>
6	<p>Article 11: Sale of Partly Paid-Up Shares</p> <p>1 - Shareholders are required to pay the remaining amount due on their shares by the specified dates. Should a shareholder fail to make payment on the designated date, the Board of Directors may, after notifying the shareholder via email, registered mail, or other modern communication technologies, opt to sell the shares through a public auction or on the financial market, as deemed appropriate for the situation.</p> <p>2 - From the proceeds of the sale, the company will recover the amounts due to it and will return any surplus to the shareholder. In the event that the sale proceeds are insufficient to cover the owed</p>	<p>Article 10: Sale of Partly Paid-Up Shares</p> <p>1 - Shareholders are required to pay the remaining amount due on their shares by the specified dates. Should a shareholder fail to make payment on the designated date, the Board of Directors may, after notifying the shareholder via email, registered mail, or other modern communication technologies, opt to sell the shares through a public auction or on the financial market, as deemed appropriate for the situation.</p> <p>2 - From the proceeds of the sale, the company will recover the amounts due to it and will return any surplus to the shareholder. In the event that the sale proceeds are insufficient to cover the owed amounts, the</p>

	<p>amounts, the company is entitled to recover the deficit from the shareholder's other assets.</p> <p>3 - The rights associated with the shares are suspended when the shareholder fails to pay the share value by the due date. These rights remain suspended until the shares are sold or the outstanding balance is paid, following the guidelines set forth in Paragraph (1) of this article. This suspension includes the right to a portion of the net profits for distribution and the right to participate and vote in meetings. However, a shareholder who has defaulted on payment may settle the overdue amount plus any expenses incurred by the company up to the day of the sale. Upon settling the debt, the shareholder may claim any profits that have been resolved to be distributed.</p> <p>4 - Following the procedures outlined in this article, the company will void the certificate of the sold share and issue a new certificate to the buyer, carrying the same share number. The sale and the buyer's details will be recorded in the shareholders' register to reflect the new ownership.</p>	<p>company is entitled to recover the deficit from the shareholder's other assets.</p> <p>3 - The rights associated with the shares are suspended when the shareholder fails to pay the share value by the due date. These rights remain suspended until the shares are sold or the outstanding balance is paid, following the guidelines set forth in Paragraph (1) of this article. This suspension includes the right to a portion of the net profits for distribution and the right to participate and vote in meetings. However, a shareholder who has defaulted on payment may settle the overdue amount plus any expenses incurred by the company up to the day of the sale. Upon settling the debt, the shareholder may claim any profits that have been resolved to be distributed.</p>
7	<p>Article 13: Capital Increase</p> <p>1. The extraordinary general assembly may resolve to augment the company's issued capital on the condition that the currently issued capital is fully paid. However, full payment is not mandatory if the unpaid portion is related to shares issued for the purpose of converting debt or financing</p>	<p>Article 12: Capital Increase</p> <p>1. The extraordinary general assembly may resolve to augment the company's issued capital on the condition that the currently issued capital is fully paid. However, full payment is not mandatory if the unpaid portion is related to shares issued for the purpose of converting debt or financing instruments into</p>

<p>instruments into shares, provided that the designated period for such conversion has not yet concluded.</p> <p>2. The extraordinary general assembly has the discretion to allocate all or a portion of the newly issued shares for capital increase to the company's employees, or to those of its subsidiaries, as deemed appropriate. Shareholders must forego their pre-emptive rights to these employee-allocated shares upon issuance.</p> <p>3. Shareholders registered at the time of the extraordinary general assembly's decision to raise the issued capital have the priority to subscribe to the new cash shares. They will be informed about their subscription rights, the increase in capital, the terms and conditions of the subscription, and the subscription period via registered mail to their address on the shareholder register or through contemporary technological methods, with consideration to the category and class of their existing shares.</p> <p>4. The extraordinary general assembly may withhold the pre-emptive subscription rights of existing shareholders for the new cash shares or prioritize non-shareholders if it is deemed beneficial for the company.</p> <p>5. Shareholders are entitled to sell or relinquish their pre-emptive rights from the time the general assembly's decision to increase capital is issued until the closing day of the subscription period for the new shares, as per the regulations set by the governing authority.</p> <p>6. Subject to the provisions of Paragraph (4), the new shares shall be apportioned among the holders of pre-emptive rights who have</p>	<p>shares, provided that the designated period for such conversion has not yet concluded.</p> <p>2. The extraordinary general assembly has the discretion to allocate all or a portion of the newly issued shares for capital increase to the company's employees, or to those of its subsidiaries, as deemed appropriate. Shareholders must forego their pre-emptive rights to these employee-allocated shares upon issuance.</p> <p>3. The shareholder owning shares at the time of the extraordinary general meeting's decision to approve the increase in issued capital has the priority in subscribing to the new shares issued in exchange for cash contributions. These shareholders will be informed of their priority via modern technological means about the decision to increase the capital, the subscription terms, the manner of subscription, and the start and end dates of the subscription period.</p> <p>4. The extraordinary general assembly may withhold the pre-emptive subscription rights of existing shareholders for the new cash shares or prioritize non-shareholders if it is deemed beneficial for the company.</p> <p>5. Shareholders are entitled to sell or relinquish their pre-emptive rights from the time the general assembly's decision to increase capital is issued until the closing day of the subscription period for the new shares, as per the regulations set by the governing authority.</p> <p>6. Subject to the provisions of Paragraph (4), the new shares shall be apportioned among the holders of pre-emptive rights who have expressed their wish to subscribe, in a ratio proportional to their existing rights in the context of the total capital increase, ensuring they do not receive more than they have subscribed for. Any remaining new shares shall</p>
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	<p>expressed their wish to subscribe, in a ratio proportional to their existing rights in the context of the total capital increase, ensuring they do not receive more than they have subscribed for. Any remaining new shares shall be offered to those pre-emptive right holders who have requested additional shares, again proportional to their rights, with the stipulation that their allocation does not surpass their initial request. Any shares still unclaimed shall be made available to others unless the extraordinary general assembly or the financial market regulations determine otherwise.</p> <p>7. In all scenarios, the face value of the increased shares must be equivalent to that of the original shares of the same type and class.</p>	<p>be offered to those pre-emptive right holders who have requested additional shares, again proportional to their rights, with the stipulation that their allocation does not surpass their initial request. Any shares still unclaimed shall be made available to others unless the extraordinary general assembly or the financial market regulations determine otherwise.</p> <p>7. In all scenarios, the face value of the increased shares must be equivalent to that of the original shares of the same type and class.</p>
8	<p>Article 19: Expiry or Termination of Board Membership</p> <p>1- Membership of the Board ceases at the end of the term or when a member's mandate expires per the Kingdom's regulations. The General Assembly may, on the Board's recommendation, remove any member who misses three consecutive or five non-consecutive meetings without an accepted excuse recognized by the Board. The Ordinary General Assembly retains the right to dismiss all or part of the Board at any time and must then elect a new Board or replacement members in line with the Companies Law.</p>	<p>Eliminate the Clause and adjust the numbering of the following Clauses in sequence</p>
9	<p>Article 20: Expiration of the Board of Directors' term, retirement of its members, or vacancy of membership</p>	<p>Article 18: Expiration of the Board of Directors' term, retirement of its members, or vacancy of membership</p>

<p>1- The Board must call the Ordinary General Assembly to elect a new Board before the end of its term. If an election cannot be held, the current Board continues its duties until a new Board is elected, provided the continuation does not exceed the term limit set by the Companies Law's Executive Regulations.</p> <p>2- If the Board's Chairperson or members retire, they must summon the Ordinary General Assembly to elect a new Board. The retirement does not become effective until a new Board is elected, and this interim period cannot exceed the timeframe specified by the Executive Regulations of the Companies Law.</p> <p>3- A Board member may resign by submitting a written notice to the Board's Chairperson. If the Chairperson resigns, the notice should be directed to the other Board members and the Board's Secretary. Resignation takes effect from the date specified in the notice.</p> <p>4- If a Board member's position becomes vacant due to death or resignation and this does not impede the Board's ability to meet due to an insufficient number of members, the Board may temporarily fill the position with a qualified individual. This appointment must be reported to the Commercial Registry and the Capital Market Authority (if the company is listed) within fifteen days of the appointment. The appointee serves for the remainder of the predecessor's term.</p> <p>5- If the Board cannot convene due to an insufficient number of members as required by law, the remaining members must convene the Ordinary General Assembly</p>	<p>1- The Board must call the Ordinary General Assembly to elect a new Board before the end of its term. If an election cannot be held, the current Board continues its duties until a new Board is elected, provided the continuation does not exceed the term limit set by the Companies Law's Executive Regulations related to the publicly listed companies.</p> <p>2- If the Board's Chairperson or members retire, they must summon the Ordinary General Assembly to elect a new Board. The retirement does not become effective until a new Board is elected, and this interim period cannot exceed the timeframe specified by the Executive Regulations of the Companies Law related to the publicly listed companies.</p> <p>3- A Board member may resign by submitting a written notice to the Board's Chairperson. If the Chairperson resigns, the notice should be directed to the other Board members and the Board's Secretary. Resignation takes effect from the date specified in the notice.</p> <p>4- If a Board member's position becomes vacant due to death or resignation and this does not impede the Board's ability to meet due to an insufficient number of members, the Board may temporarily fill the position with a qualified individual. This appointment must be reported to the Commercial Registry and the Capital Market Authority within (15) fifteen days of the appointment. The appointee serves for the remainder of the predecessor's term.</p> <p>5- If the Board cannot convene due to an insufficient number of members as required by law, the remaining members must convene the Ordinary General Assembly within sixty days to elect the necessary number of new members.</p>
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	<p>within sixty days to elect the necessary number of new members.</p>	
10	<p>Article 23: Powers of the Chairperson, Vice-Chairperson, Managing Director, and Secretary</p> <p>At its inaugural meeting, the Board of Directors is required to elect a Chairperson from its constituency. Additionally, the Board holds the authority to elect, from within its ranks, either a Managing Director or a Vice-Chairperson.</p> <p>.....</p> <p>The Chairperson of the Board is empowered, through a formal written directive, to entrust certain of his authorities to fellow Board members or individuals outside the Board for the purpose of conducting designated duties or operations. Should the Chairperson be unavailable, the Vice-Chairperson of the Board is to fulfill the duties of the Chairperson, contingent upon the Board's appointment of a Vice-Chairperson.</p>	<p>Article 21: Powers of the Chairperson, Vice-Chairperson, Managing Director, and Secretary</p> <p>At its first meeting, the board of directors appoints from among its members a chairman and a vice-chairman. The board may also appoint an executive member from among its members. However, it is not permissible to combine the position of chairman of the board with any executive position within the company</p> <p>.....</p> <p>The Board of Directors shall designate a Secretary, who may be selected from its own members or from external candidates. The Chairperson of the Board is empowered, through a formal written directive, to entrust certain of his authorities to fellow Board members or individuals outside the Board for the purpose of conducting designated duties or operations. Should the Chairperson be unavailable, the Vice-Chairperson of the Board is to fulfill the duties of the Chairperson.</p>
11	<p>ARTICLE 32: Calling for Assemblies</p> <p>1. The Board of Directors bears the obligation to summon both general and special General Assemblies. It is mandated to convene the ordinary General Assembly within thirty days following a solicitation by either the auditor or by one or more shareholders who, in aggregate, possess a minimum of ten percent of the company's shares endowed with</p>	<p>ARTICLE 30: Calling for Assemblies</p> <p>1. The Board of Directors bears the obligation to summon both general and special General Assemblies. It is mandated to convene the ordinary General Assembly within thirty days following a solicitation by either the auditor or by one or more shareholders who, in aggregate, possess a minimum of ten percent of the company's shares endowed with voting rights. In the event</p>

<p>voting rights. In the event the Board fails to issue such an invitation within the stipulated thirty-day timeframe, the auditor shall possess the authority to directly call the General Assembly.</p> <ol style="list-style-type: none"> 2. Any petition to convene as stipulated in Paragraph (1) must explicitly specify the agenda items intended for shareholder deliberation and voting. 3. Notifications for these assemblies are to be disseminated no later than twenty-one days before the scheduled date of the meeting, adhering to the following protocols: <ol style="list-style-type: none"> (a) Shareholders are to be notified through registered mail dispatched to the addresses recorded in the company's shareholder registry or via an announcement leveraging contemporary technological means. (b) A copy of the meeting notification and its agenda is required to be filed with the Commercial Registry and, should the company be publicly listed, with the Capital Market Authority concurrently with the issuance of said notice. 4. At a minimum, the invitation to the assembly must confirm: <ol style="list-style-type: none"> (a) A shareholder's entitlement to attend the assembly, delegate a proxy (other than Board members) to attend on their behalf, engage in discussions on the agenda items, raise questions, and the procedure for exercising their voting rights. (b) Details of the meeting's location, date, and time. (c) The classification of the assembly, specifying whether it is an ordinary or extraordinary assembly. 	<p>the Board fails to issue such an invitation within the stipulated thirty-day timeframe, the auditor shall possess the authority to directly call the General Assembly.</p> <ol style="list-style-type: none"> 2. Any petition to convene as stipulated in Paragraph (1) must explicitly specify the agenda items intended for shareholder deliberation and voting. 3. Notifications for these assemblies are to be disseminated no later than twenty-one days before the scheduled date of the meeting, adhering to the following protocols: <ol style="list-style-type: none"> (a) Via an announcement on the Company website and Tadawul platform. (b) A copy of the meeting notification and its agenda is required to be sent to the Commercial Registry and the Capital Market Authority. 4. At a minimum, the invitation to the assembly must confirm: <ol style="list-style-type: none"> (a) A shareholder's entitlement to attend the assembly, delegate a proxy (other than Board members) to attend on their behalf, engage in discussions on the agenda items, raise questions, and the procedure for exercising their voting rights. (b) Details of the meeting's location, date, and time. (c) The classification of the assembly, specifying whether it is an ordinary or extraordinary assembly. (d) The agenda for the meeting, listing the items upon which shareholders will vote.
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12	<p>ARTICLE 38: Attendance of Assemblies</p> <p>All shareholders, regardless of the number of shares they hold, have the right to attend General Assembly meetings. They may delegate a proxy, who is not a member of the Board, to represent them. Unless directed otherwise by the shareholders, meetings will default to being held at the company's headquarters. It is essential to enable shareholders to engage in all General Assembly meetings and discussions, to be apprised of the agendas and pertinent documents through contemporary technological means, and to have the opportunity to vote on agenda items remotely should physical attendance be impractical, all in accordance with the provisions outlined in the executive regulations of the Companies Law.</p>	<p>ARTICLE 36: Attendance of Assemblies</p> <p>All shareholders, regardless of the number of shares they hold, have the right to attend General Assembly meetings. They may delegate a proxy, who is not a member of the Board, to represent them. Unless directed otherwise by the shareholders, meetings will default to being held at the company's headquarters. It is essential to enable shareholders to engage in all General Assembly meetings and discussions, to be apprised of the agendas and pertinent documents through contemporary technological means, and to have the opportunity to vote on agenda items remotely should physical attendance be impractical, all in accordance with the provisions of the Companies Law and its executive regulations applicable to publicly listed joint stock companies.</p>
13	<p>Article 52: Final Provisions</p> <p>1- The company is governed by the regulations in force within the Kingdom of Saudi Arabia.</p> <p>2- Any provision in these Bylaws that contradicts the Companies Law shall be disregarded, and the provisions of the Companies Law, along with anything not mentioned in these Bylaws, shall be applied.</p> <p>3- The founders confirm the accuracy of the information and provisions contained in</p>	<p>Article 50: Final Provisions</p> <p>1- The company is governed by the regulations in force within the Kingdom of Saudi Arabia.</p> <p>2- Any provision within these bylaws that contravenes the Companies Law shall be deemed null and void, and the relevant provisions of the Companies Law shall be applicable. For matters not explicitly mentioned in these bylaws, the provisions of the Companies Law and its executive regulations applicable to publicly listed joint stock companies shall govern.</p>

	<p>these Bylaws and their compliance with the Companies Law issued by Royal Decree (M/132) on 12/1/1443 H, its executive regulations, and all requirements and directives issued by the Ministry of Commerce in accordance with the law. The founders accept responsibility for all legal and financial consequences that may arise.</p> <p>Furthermore, the founders acknowledge the Ministry's right to enforce legal actions in the event of any violation or discrepancy in the Bylaws provisions.</p>	<p>3- The shareholders confirm the accuracy of the information and provisions contained in these Bylaws and their compliance with the Companies Law issued by Royal Decree (M/132) on 12/1/1443 H, its executive regulations, and all requirements and directives issued by the Ministry of Commerce in accordance with the law. The shareholders accept responsibility for all legal and financial consequences that may arise.</p> <p>Furthermore, the shareholders acknowledge the Ministry's right to enforce legal actions in the event of any violation or discrepancy in the Bylaws provisions.</p>
14	<p>Article 53: Publication</p> <p>These Bylaws shall be filed and published in accordance with the provisions of the Companies Law and its executive regulations.</p>	<p>Article 51: Publication</p> <p>These Bylaws shall be filed and published in accordance with the provisions of the Companies Law and its executive regulations applicable to publicly listed joint stock companies.</p>