

# Bylaws of the Saudi Paper Manufacturing Company (SPMC) (Listed Joint Stock Company)



<b>Company Name</b> <b>Saudi Paper Manufacturing Company</b> <b>(SPMC)</b> <b>(Listed Joint Stock Company)</b>	<b>Bylaws</b>	<b>Ministry of Commerce</b> <b>(Operations Management)</b>
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# Bylaws of the Saudi Paper Manufacturing Company (SPMC)

## Part One: Company's Incorporation

<b>Article One</b>	<b>Incorporation:</b> In accordance with the provisions of the Companies Law, its Regulations, and these Bylaws, a Saudi Joint Stock Company shall be incorporated as follows:
<b>Article Two</b>	<b>Company's Name:</b> Saudi Paper Manufacturing Company (Listed Joint Stock Company).
<b>Article Three</b>	Company's Objectives: The Company engages in and carries out the following activities: <ol style="list-style-type: none"><li>1- Production of various paper products.</li><li>2- Production of tissue paper rolls.</li><li>3- Production of a variety of paper napkins.</li><li>4- Collecting, sorting, compressing, and selling solid waste, including paper, cardboard, plastic, metal and glass waste.</li><li>5- Investing in various industries in the field of oil and petrochemicals and their supporting industries and management of hazardous and non-hazardous industrial waste. The Company carries out its activities in accordance with the applicable regulations and after obtaining the necessary licenses from the competent authorities, if any.</li></ol>
<b>Article Four</b>	<b>Participation and Ownership in Companies:</b> The Company may establish, by itself, other limited liability or closed joint stock companies in accordance with the Companies Law. The Company may own shares and stocks in other existing companies or merge with them. The Company may participate with others to establish joint stock or limited liability companies after fulfilling the requirements of the laws and instructions followed in this regard. The Company may also dispose of these shares or stocks, provided that such disposal does not include brokerage.
<b>Article Five</b>	<b>Company's Head Office:</b> The Company's Head Office is located in the city of Dammam. The Company may establish branches, offices or agencies inside or outside the Kingdom by a resolution of the Board of Directors.
<b>Article Six</b>	<b>Company's Term:</b> The Company's Term is (99) Gregorian years starting from the date of its registration in the Commercial Register. This term may always be extended by a resolution of the Extraordinary General Assembly at least one year before the end of the Company's Term.
<b>Part Two: Capital and Shares</b>	
<b>Article Seven</b>	<b>Capital:</b> The Company's Capital is set at (SAR 337,000,000) only Three Hundred and Thirty-Seven Million Saudi Riyals, divided into (33,700,000 shares) only Thirty-Three Million Seven Hundred Thousand nominal shares of equal value.
<b>Article Eight</b>	<b>Subscription to Shares:</b> The founders subscribed to the entire fully paid capital shares (33,700,000 shares).
<b>Article Nine</b>	<b>Preferred Shares:</b> The Company's Extraordinary General Assembly may, pursuant to the rules set by the competent authority, issue preferred shares, decide to purchase such shares, convert ordinary shares into preferred shares, or convert preferred shares into ordinary shares, provided that it does not exceed 10% of the Capital. Preferred shares shall have no voting rights in shareholder General Assemblies. Such shares shall entitle their holders to receive a higher percentage of the Company's net profits than ordinary shareholders after setting aside the statutory reserve.
<b>Article Ten</b>	<b>Sale of Un-Paid Shares:</b> Shareholders shall pay the share value on the specified dates. If a shareholder fails to pay on the due date, the Board may, after notifying the shareholder by registered mail or by means of publishing in an official gazette,

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	sell such share in a public auction or in the capital market, as the case may be, in accordance with the rules set by the competent authority. The Company shall collect the amounts due thereto from the sale proceeds and shall return any remaining amount to the shareholder. If the sale proceeds are insufficient to cover these amounts, the Company shall have a claim on all of the shareholder's funds for the unpaid amount. However, a defaulting shareholder may, up to the sale date, pay the amount due in addition to any expenses incurred by the Company in this regard. The Company shall cancel the sold share pursuant to the provisions of this Article, give the purchaser a new share bearing the serial number of the cancelled share. An annotation to this effect shall be made in the share register specifying the name of the new owner.	
<b>Article Eleven</b>	<b>Issuance of Shares:</b> The shares shall be nominal, and may not be issued less than their nominal value. However, they may be issued for a value higher than their nominal value, and in the latter case, the difference in value shall be added in a separate item within the shareholder rights and may not be distributed to shareholders as dividends. A share is indivisible before the Company. If a share is owned by multiple persons, they must select one of them to represent them in exercising the rights attached to the share. These persons shall be jointly liable for the obligations arising from share ownership.	
<b>Article Twelve</b>	<b>Trading of Shares:</b> Shares subscribed to by the founders may not be traded until after the publication of the financial statements for two fiscal years, each of which shall not be less than twelve months from the date of Company's Incorporation. A notation shall be made on the instruments of such shares stating the type of shares, the date of the Company's Incorporation, and the period for which the stocks may not be traded. However, during the lock-up period, ownership of shares may be transferred in accordance with equity sale provisions by one founder to another, or by the heirs of a founder, in case of his death, to others, or in case of execution against the properties of an insolvent or bankrupt founder, provided that priority of owning such shares shall be reserved for the other founders. The provisions of this Article shall apply to the shares subscribed to by the founders in the event of a capital increase before the expiry of the prohibition period.	
<b>Article Thirteen</b>	<b>Shareholders' Register:</b> The Company's shares shall be traded in accordance with the provisions of the Capital Market Law, and the subscription or ownership of shares indicates the shareholder's acceptance of the Company's Bylaws and his obligations to the resolutions issued by the shareholders' assemblies in accordance with the provisions of these Bylaws and the Companies Law, whether he agrees or disagrees with these resolutions, and regardless of being present or absent.	
<b>Article Fourteen</b>	<b>Buy-Back, Sale and Pledge of Company's Shares:</b> 1- The Company may buy back or pledge its shares in accordance with the controls set by the competent authority. The shares purchased by the Company shall have no votes in the shareholders' assemblies. 2- The company may buy back its shares to be used as treasury shares as well as for the purpose of allocating them to its employees as part of an employee share scheme in accordance with the controls set by the competent authority. 3- Shares may be pledged in accordance with controls set by the competent authority, and the pledgee creditor shall receive the dividends and enjoy the rights attached to the share, unless otherwise agreed in the pledge deed. However, the pledgee creditor may not attend or vote at the meetings of the Shareholders' General Assembly. 4- The Company may sell treasury shares in one or several phases in accordance with the controls and procedures set by the competent authority.	
<b>Article Fifteen</b>	<b>Capital Increase:</b>	
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	<p>1- The Extraordinary General Assembly may decide to increase the Company's Capital, provided that the capital has been fully paid up. The capital is not required to be fully paid up if the unpaid portion of the capital relates to shares issued in exchange for conversion of debt instruments or financing bonds and the prescribed period for conversion has not expired yet.</p> <p>2- The Extraordinary General Assembly may, in all cases, allocate all or part of the shares issued for a capital increase to employees of the Company and/or all or some of its subsidiaries. Shareholders may not exercise pre-emptive rights when the Company issues shares allocated to employees.</p> <p>3- Upon the Extraordinary General Assembly's issuance of a resolution approving a capital increase, shareholders will be entitled to a pre-emptive right to subscribe to the new shares issued against cash contributions. Such shareholders shall be informed of their pre-emptive right by publishing a notice in a daily newspaper or by notifying them through registered mail of the capital increase resolution as well as the conditions, duration, and commencement and expiry date of the subscription.</p> <p>4- The Extraordinary General Assembly may suspend the pre-emptive right vested in shareholders to subscribe to the capital increase against cash contributions or may vest such right in persons other than the shareholders in cases it deems appropriate for the Company's interest.</p> <p>5- Shareholders 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, in accordance with the controls set by the competent authority.</p> <p>6- Subject to paragraph (4) above, the new shares shall be distributed to holders of pre-emptive rights 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 amount of new shares they requested. The remainder of the new shares shall be distributed to holders of 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 amount 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.</p>	
<b>Article Sixteen</b>	<p><b>Capital Reduction:</b> The Extraordinary General Assembly may resolve to reduce the capital if it exceeds the Company's needs or if the Company incurs losses. Only in the latter case, the capital may be reduced below the limit stipulated in Article (54) of the Companies Law. Such resolution shall only be issued after reading the auditor's report regarding the reasons requiring such reduction, the Company's liabilities, and the impact of the reduction on such liabilities. If the capital reduction is a result of the capital being in excess of the Company's need, creditors shall be invited to express their objection within sixty (60) days as of the date on which the reduction resolution is published in a daily newspaper distributed in the area in which the head office of the Company is located. If a creditor objects and submits to the Company its documents within said deadline, the Company shall repay its debt if it is payable or provide a sufficient payment guarantee if it is deferred.</p>	
<b>Article Seventeen</b>	<p>Issuance of Tradable Debt Instruments and Financing Bonds</p> <p>1- The Company may issue, in accordance with the Capital Market Law, tradeable debt instruments and financing bonds.</p> <p>2- The Company may issue debt instruments or financing bonds convertible to</p>	
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	<p>shares following a resolution by the Extraordinary General Assembly specifying the maximum number of shares permitted to be issued against such instruments or bonds and whether they will be issued in at the same time or through a series of issuances, or through one or more programs to issue debt instruments or financing bonds. The Board shall, without need for further approval from the Extraordinary General Assembly, issue new shares against these instruments or bonds whose holders request their conversion, immediately upon the expiry of the conversion request period set for the holders of these instruments or bonds. The Board shall take the necessary actions to amend the Company's Bylaws with regard to the number of shares issued and the capital.</p> <p>3- Subject to Article Forty Four (44) of the Companies Law, the Company may convert debt instruments, loans, or financing bonds into shares in accordance with the Capital Market Law. In all cases, such instruments and bonds may not be converted into shares in the following two cases:</p> <p>A- If the conditions for the issuance of debt instruments and financing bonds do not include the possibility of converting such instruments and bonds into shares by increasing the Company's Capital.</p> <p>B- If the holder of the debt instrument, financing bond, or deed; or the borrower does not agree to such conversion.</p> <p>4- The resolutions of the shareholders' assemblies shall apply to the holders of debt instruments and financing bonds. However, the said assemblies may not amend the rights established for holders of instruments and bonds unless such holders approve the same at a specific assembly for them held in accordance with the provisions of Article (89) of the Companies Law.</p>	
<b>Part Three: Board of Directors</b>		
<b>Article Eighteen</b>	<b>Company's Management:</b> The Company shall be managed by a Board of Directors consisting of (seven members elected by the Ordinary General Assembly of shareholders for a period not exceeding three years. As an exception, the founders appointed the first Board of Directors for a period of (3 years) by a resolution of the Company's General Assembly.	
<b>Article Nineteen</b>	<b>Expiry of Board Membership:</b> Membership of a Board member will expire upon the expiry of its term or if a member becomes unfit for membership according to any law or instructions applicable in the KSA. However, the Ordinary General Assembly may, at any time, dismiss all or part of the Board members without prejudice to the right of a dismissed member to claim compensation if dismissal is made for an unacceptable reason or at 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.	
<b>Article Twenty</b>	<b>Vacant Positions in the Board:</b> If the position of a Board member becomes vacant, the Board may appoint a member to temporarily fill the vacancy in accordance with the Membership Criteria Regulations approved by the Board. The Ministry and the Capital Market Authority shall be notified accordingly within five working days from the date of appointment. Such appointment shall be put forward before the first next meeting of the Ordinary General Assembly, and the new member shall complete the term of his/her 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 sixty days to elect the required number of members.	
<b>Article Twenty One</b>	<b>Powers of the Board:</b> Without prejudice to the powers prescribed for the General Assembly, the Board shall have the broadest powers and authorities in managing the Company, handling its affairs, supervising its business and financial affairs inside and	
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outside the Kingdom of Saudi Arabia, preparing policies and guidelines to achieve its objectives, including but not limited to representing the Company in its relations with others and before government agencies, the Capital Market Authority, entities in charge of civil rights, police stations, chambers of commerce and industry, private entities, companies and institutions of all types, entering into tenders and auctions and awarding the same, signing documents of sale, lease, representation, acknowledgment, mortgage, etc., conducting transactions on behalf of the Company, receiving, paying, and taking over rights to and from others. The Board also has the right to establish companies, contribute to the establishment of companies, open branches of the Company, sign all types of contracts, documents and deeds, including without limitation memoranda of incorporation of companies established by the Company or in which the company is a partner, with all amendments to the memoranda of incorporation of companies in which the company is a partner together with their annexes and all resolutions passed by partners in those companies, including resolutions related to capital increase and reduction, assign and buy shares, document contracts, affix signatures before the Companies Department at the Ministry of Commerce and Investment and the notary public, make amendments, changes, add and delete, obtain, renew, receive and write off commercial registers, change names of companies, provide loans to subsidiaries, guarantee their loans, sign agreements and instruments before notaries and official authorities, as well as loan agreements, guarantees, suretyships and securities, waive priority in repaying Company's debts, issue in-fact non-judicial powers of attorney on behalf of the Company, buy and sell real estate properties, lands, shares and stocks in companies, as well as other properties, whether movable or immovable, dispose of Company's assets and properties, invest and mortgage immovable and movable assets to guarantee the Company's loans and those of its subsidiaries subject to the following conditions:

- A. The Board shall specify in the sale resolution the reasons and justifications therefor.
- B. The sale shall be for a price similar to that of a like item.
- C. The sale shall be prompt except in cases of necessity and with sufficient guarantees.
- D. Such disposition shall not result in the cessation of some of the Company's activities or causing the Company to incur other obligations.

The Board has the right to effect conveyance, accept and receive the price, receive, deliver, rent, lease, receive, pay, open accounts, manage, operate and close bank accounts, withdraw and deposit with banks, borrow from banks, sign all papers, documents, checks and all banking transactions, invest the Company's funds and circulate the same in local and international markets inside and outside the Kingdom of Saudi Arabia. It also has the right to appoint and dismiss employees and workers, request visas, recruit workers from outside the Kingdom, conclude contracts with them, determine their salaries, obtain residence permits, transfer and waive sponsorships. The Board may conclude loans with government funds and financing institutions, regardless of the duration thereof, and shall have the right to conclude commercial loans and obtain other loans and credit facilities from government institutions, commercial banks, financial institutions and any credit companies and issue letters of guarantee in favour of any party if deems it appropriate for the Company's interest, issue promissory notes and other tradable documents, enter into all types of agreements and banking transactions for any period of time provided that they shall not go beyond the expiration of the Company's term. With regard to loans whose terms exceed three (3) years, the following conditions shall be taken into consideration:

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	<p><b>A- The Board shall determine in its resolution the aspects of use of the loan and the manner of repayment thereof.</b></p> <p><b>B- The conditions of the loan and the guarantees provided thereto shall not harm the Company, its shareholders, and the general guarantees of creditors.</b></p> <p>The Board may also approve the Company's internal, financial, administrative and technical regulations, policies and procedures related to employees, authorize the Company's executive directors to sign on its behalf in accordance with the regulations and controls set by the Board, approve the Company's business and operations plans, and approve the interim and annual financial statements. It may also discharge Company's debtors of their obligations, provided that the minutes and grounds of the resolution of the Board of Directors shall observe the following:</p> <ul style="list-style-type: none"> <li>- <b>The discharge shall be after the lapse of a full year from the commencement of the debt as a minimum.</b></li> <li>- <b>The discharge shall be for a ceiling amount specified for each year, for each debtor.</b></li> <li>- <b>The Board may provide financial support to any of the subsidiaries or associates, as well as the companies in which the Company is a partner in the value and manner that the Board deems appropriate. The Board may provide guarantees for loans and credit facilities of all types obtained by any of the subsidiaries, associates or companies in which the Company is a partner, according to the percentage of its ownership therein. The Board may also, within the limits of its powers, appoint or authorize one or more of its members or third parties to carry out specific function(s), actions or act, and may cancel such appointment or authorization.</b></li> </ul>	
<p><b>Article Twenty Two</b></p>	<p><b>Remuneration of Board Members and Committees:</b></p> <p>1- Remuneration of the Board of Directors shall consist of a certain amount, meeting attendance allowance, in-kind benefits, or a certain percentage of net profits. Two or more of these benefits may be combined. 2- If the remuneration is a certain percentage of the Company's profits, this percentage may not exceed (10%) of the net profits after deducting the reserves decided by the General Assembly pursuant to the Companies Law and the Company's Bylaws, and after distributing a profit to shareholders no less than (5%) of the Company's paid-up capital, provided that the entitlement to this remuneration is proportional to the number of meetings attended by the member, and any estimate to the contrary shall be null and void.</p> <p>2- In all cases, the total cash or in-kind remuneration and benefits received by a member of the Board of Directors shall not exceed Five Hundred Thousand Riyals annually pursuant to the controls set by the competent authority. The report of the Board of Directors to the Ordinary General Assembly shall include a comprehensive statement of all remunerations, expense allowance and other benefits received by the members of the Board of Directors during the fiscal year, as well as a statement of what the members of the Board received in their capacity as officers or administrators or any other amounts received thereby in consideration of technical or administrative activities or consultations. The report shall include as well a statement of the number of Board meetings and the number of meetings attended by each member since the date of the last meeting of the General Assembly.</p> <p>3- Remunerations of the Board Members and Board committee shall be paid with the approval of the Company's General Assembly.</p>	
<p><b>Article Twenty Three</b></p>	<p><b>Powers of the Chairman, Vice Chairman, Managing Director, and Secretary:</b> The Board of Directors shall appoint from among its members a Chairman and a</p>	
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Vice-Chairman, and may appoint a Managing Director. The Chairman may not hold any executive position in the Company.

1- The Chairman of the Board, and the Vice Chairman in the absence of the Chairman, shall represent the Company in its relations with third parties, before government and private entities, before all Sharia courts, judicial bodies, the Board of Grievances, labour offices, higher and first-instance committees, the Committee for the Resolution of Securities Disputes, commercial papers committees and all other judicial committees, arbitration and civil rights bodies, police stations, chambers of commerce and industry, private bodies, companies, banks, commercial banks, finance houses and all government funding funds and institutions regardless of their names and competences, all types of institutions and other lenders. The Chairman of the Board represent the Company in its transactions with others, conclude all contracts and transactions within the purpose of the Company, buy and rent places and real estate properties necessary for the Company's activity, mortgage and sell all the Company's assets, including, but not limited to, mortgaging and selling real estate, shares, equipment, investment funds and deposits of all types, collecting the Company's rights, performing its obligations, creating, signing, endorsing and receiving commercial papers, and conducting all banking transactions necessary for the Company's activity, including opening and closing accounts, withdrawing from them, depositing in them, requesting facilities of all types from commercial banks and seeking and signing loans in any amounts after obtaining the approval of the Board of Directors thereon, signing guarantees, requesting issuance of guarantees, opening credits on behalf of the Company, signing guarantees in the name of the company to guarantee others, signing contracts and facilities papers, signing and cashing checks, signing Islamic Murabaha agreements and investment contracts, waiving rights and benefits, signing treasury agreements, arrangements and products, representing the Company before all Saudi and non-Saudi government bodies and before third parties in every matter related to the interests and affairs of the Company and achieving its objectives, pleading and defending its rights before any judicial or administrative authority. All acts and actions conducted by the Chairman of the Board shall be binding upon the Company. The Chairman of the Board and the Managing Director may, within the limits of their powers, appoint or authorize one or more members of the Board of Directors or from third parties to act on their behalf regarding certain act(s) under these Bylaws, and give such appointed or authorized person the right to appoint or authorize others in all or part of the abovementioned powers. The Managing Director shall have the power to carry out all necessary management business and implement the resolutions of the Board and the General Assemblies of shareholders subject to the powers vest with him by the Board of Directors or by the delegating party.

2- The Chairman of the Board of Directors shall represent the Company in its relations with third parties and shall have administrative, financial and technical authorities and powers as those vested with the members of the Board of Directors and subject to the same restrictions and conditions stipulated in Article (20) of the Companies Law.

3- The Board shall appoint a Secretary, from amongst its members or others, to document the minutes of the meetings of the Board and record and maintain the resolutions passed at these meetings as well as to exercise any other powers entrusted to him by the Board. The Board shall determine the remuneration of the Secretary in his appointment resolution.

4- The term of office of the Chairman, the Vice Chairman, the Managing Director and the Secretary shall not exceed the term of office of each of them in the Board. They may be re-elected and the Board may, at any time, dismiss all or any of

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	them without prejudice to the dismissed person's right to claim compensation if dismissed for an illegitimate reason or at an inappropriate time.
<b>Article Twenty Four</b>	<b>Board Meetings:</b> The Board shall meet at least four times a year at the invitation of its Chairman, and the invitation shall be in writing and may be delivered by hand or sent by mail or e-mail. The Chairman of the Board shall invite the Board to a meeting when so requested by two members.
<b>Article Twenty Five</b>	<b>Quorum of the Board Meeting:</b> A Board meeting shall not be deemed valid unless at least half the members attend it, provided that the number of attendees in person is no less than three (3) members. The Board member may give proxy to another member to attend a Board meeting subject to the below restrictions: 1- The Board member may not represent more than one member in attending the same meeting. 2- The proxy must be established in writing. 3- A member acting by proxy may not vote on resolutions that the Company's Bylaws prevent the delegating member/principal from voting on. Board resolutions shall be adopted by the majority of votes of the members attending or represented therein. In case of a tie, the Chairman of the meeting will have a casting vote. The Board may adopt resolutions by circulating them among the members separately unless one of the Board members request in writing a meeting of the Board to discuss these resolutions. Such resolutions shall be brought before the Board at the first following meeting. 4- The Board may hold its meetings by conference call, video call or any other modern technical means that allows members to participate in the meeting and by which members can hear each other clearly. Any member who is unable to attend for an acceptable excuse may participate in the meeting in the same manner with the approval of the Chairman of the meeting and the attending members. Participation as set forth in this paragraph shall be deemed attendance at the meeting in terms of quorum and voting.
<b>Article Twenty Six</b>	<b>Deliberations of the Board:</b> Deliberations and resolutions of the Board shall be documented in minutes to be signed by the Chairman of the Board, the Board members attending the meeting and the Secretary. The minutes shall be recorded in a special register to be signed by the Chairman of the Board and the Secretary.
<b>Part Four: Shareholders' Assemblies</b>	
<b>Article Twenty Seven</b>	<b>Attending Assemblies:</b> Every subscriber, regardless of the number of shares owned thereby, shall have the right to attend the Constituent Assembly. Each shareholder shall have the right to attend the Shareholders' General Assemblies, and may delegate another person, other than the members of the Board or employees of the Company, to attend the General Assembly.
<b>Article Twenty Eight</b>	<b>Shareholders' Rights:</b> The shares shall entail equal rights and obligations, and shall establish for the shareholder all the rights related to the share, and in particular the right to receive a share of the net profits to be distributed, the right to receive a share of the Company's assets upon liquidation, the right to attend the shareholders' assemblies, participate in their deliberations and vote on their resolutions, the right to dispose of shares, the right to request access to the Company's books in a manner that does not harm the interests of the Company and its documents, monitor the Board of Directors, file the Liability Claim against the Board members, and appeal against the invalidity of resolutions passed by Shareholders' Assemblies under the conditions and restrictions set forth in the Companies Law or in the Company's Bylaws.
<b>Article Twenty Nine</b>	<b>Powers of the Constituent Assembly:</b> The Constituent Assembly shall be responsible for the matters mentioned in Article (Sixty-Three) of the Companies Law.

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<b>Article Thirty</b>	<b>Powers of the Ordinary General Assembly:</b> Except for matters reserved for the Extraordinary General Assembly, the Ordinary General Assembly shall be in charge of all matters relating to the Company and shall be convened at least once a year within the six months following the end of the Company's financial year. The Ordinary General Assembly may be called to hold other meetings whenever needed.	
<b>Article Thirty One</b>	<b>Powers of the Extraordinary General Assembly:</b> The Extraordinary General Assembly shall be in charge of amending the Company's Bylaws except for the matters it may not amend by law, and may adopt resolutions relating to the powers of the Ordinary General Assembly under the same conditions and controls.	
<b>Article Thirty Two</b>	<b>Calling for Assembly Meetings:</b> General or Special Assembly Meetings of shareholders shall be held by at invitation by the Board. The Board shall call for a meeting of the Ordinary General Assembly if this is requested by the Auditor, the Audit Committee or a number of shareholders representing at least (5%) of the capital. The Auditor may call for a meeting of the General Assembly if the Board fails to call for such meeting within thirty days from the date of the Auditor's request. The invitation for a meeting of the General Assembly shall be published in a daily newspaper circulated in the area where the Company's Head Office is located at least twenty-one days prior to the date scheduled for the meeting. However, it may be sufficient to address the invitation for the meeting at the said date to all shareholders by registered mail. A copy of the invitation and the agenda shall be sent to the Ministry of Commerce and Investment and the Capital Market Authority within the period specified for publication.	
<b>Article Thirty Three</b>	<b>Assembly Attendance Register:</b> Shareholders who wish to attend General or Special Assembly meetings shall register their names at the place in which the meeting shall convene before the specified date as specified by the Company in the invitation to the meeting. Upon the convening of the Assembly, a statement shall be drawn up with the names of the shareholders present and represented and personal identification numbers, indicating the number of shares held by them in person or by proxy and the number of votes allocated to them. The Assembly may be held via modern of technology means.	
<b>Article Thirty Four</b>	<b>Quorum of the Ordinary General Assembly Meeting:</b> The Ordinary General Assembly Meeting shall only be deemed valid if attended by shareholders representing at least one-quarter of the capital. If such quorum is not met, a second meeting shall be held one hour after the lapse of time set for the first meeting, provided that the invitation for holding the first meeting indicates the possibility of holding such meeting. If the invitation of the first meeting does not provide for such possibility, a second meeting shall be called within (30) thirty days following the previous meeting, and the second meeting invitation shall be sent in the manner stipulated in Article Thirty Two (32) of the Bylaws. In all cases, the second meeting shall be valid regardless of the number of shares represented therein.	
<b>Article Thirty Five</b>	<b>Quorum of the Extraordinary General Assembly Meeting:</b> The Extraordinary General Assembly Meeting shall only be deemed valid if attended by shareholders representing at least one-half of the capital. If such quorum is not met in the first meeting, the second meeting shall be held one hour after the lapse of time set for the first meeting, provided that the invitation for holding the first meeting indicates the possibility of holding such meeting. If the invitation of the first meeting does not provide for such possibility, a second meeting shall be called in the same manner set out in Article Thirty (30) of the Bylaws. In all cases, the second meeting shall be deemed valid if attended by a number of shareholders representing at least one-quarter of the capital. If the quorum for the	
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	second meeting is not met, a third meeting shall be called in the same manner set out in Article thirty Two (32) of the Bylaws. The third meeting shall be deemed valid regardless of the number of shares represented therein, after obtaining the approval of the competent authority.
<b>Article Thirty Six</b>	<b>Voting at Assemblies:</b> Each subscriber shall have one vote per share he represents in the Constituent Assembly; and each shareholder shall have one vote per share in the General Assemblies. Cumulative voting shall be used in the election of the Board of Directors, provided the share voting right may not be used more than once. The members of the Board of Directors may not participate in voting on the resolutions of the General Assembly that relate to their discharge from liability for the management of the Company or those relate to their direct or indirect interest.
<b>Article Thirty Seven</b>	<b>Resolutions of the Assemblies:</b> Resolutions in the Constituent Assembly shall be passed by absolute majority of the shares represented at the meeting. Resolutions in the Ordinary General Assembly shall be passed by absolute majority of the shares represented at the meeting. Resolutions of the Extraordinary General Assembly shall be passed by two-thirds majority of the shares represented at the meeting unless the resolution relates to increase or reduction of capital, extension of the Company's Term, dissolution of the Company prior to the term set therefor in its Bylaws or merger of the Company with another company, in which case such resolution shall only be valid if passed with a three-quarters majority of the shares represented at the meeting.
<b>Article Thirty Eight</b>	<b>Deliberations at Assemblies:</b> Each shareholder shall have the right to discuss the subjects listed on the agenda of the Assembly and may address questions in respect thereof to the Board members and the Auditor. The Board of Directors or the Auditor shall answer questions of the shareholders to the extent that does not expose the Company's interest to harm. If a shareholder deems the answer to his/her question is unsatisfactory, he/she may raise the issue with the Assembly whose resolution in that regard shall be effective and enforceable.
<b>Article Thirty Nine</b>	<b>Chairmanship of Assemblies and Preparation of Minutes:</b> Shareholder's General Assemblies shall be chaired by the Chairman of the Board; the Vice Chairman of the Board, in case of absence of the Chairperson, or by whomever the Board delegates from its members for this purpose, in case of absence of the Chairman or the Vice Chairman of the Board. At the Assembly Meeting, there shall be written minutes including the number of shareholders attending or represented, the number of shares they hold in their personal capacity or by proxy, the number of votes they are entitled to, the resolutions adopted and the number of votes for or against them and a sufficient summary of the deliberations which have taken place in the meeting. After each meeting, minutes shall be regularly recorded in a special register to be signed by the Assembly's Chairman, Secretary and vote collector.
<b>Part Five: Audit Committee</b>	
<b>Article Forty</b>	<b>Formation of the Committee:</b> An audit committee shall be formed by a resolution of the Ordinary General Assembly composed of no less than three and no more than five members from among the non-executive Board members, and whether or not from amongst the shareholders. The resolution shall determine the Audit Committee's duties, controls, and remuneration of its members.
<b>Article Forty One</b>	<b>Quorum of the Committee Meeting:</b> An audit committee meeting shall be valid only if attended by majority of its members, and its decisions shall be passed by a majority vote of attending members. In case of a tie, the Chairman of the meeting will have a casting vote.
<b>Article Forty Two</b>	<b>Powers of the Committee:</b> The audit committee shall monitor the Company's

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	activities. To this end, the Committee shall have access to the Company's records and documents and may acquire any clarification or statement from members of the Board or the executive management. The Committee may ask the Board to call for a meeting of the Company's General Assembly if the Board obstructs its work or if the Company suffers substantial damage or loss.
<b>Article Forty Three</b>	<b>Reports of the Committee:</b> The Audit Committee shall examine the Company's financial statements, reports, and notes submitted by the Auditor and shall give its opinion thereon, if any. The Committee shall also prepare a report including its opinion on the efficiency of the Company's internal audit system and the other activities it performed within its mandate. The Board shall keep sufficient copies of the Committee's report at the Company's Head Office at least twenty-one days prior to the date the General Assembly Meeting to provide any interested shareholder with a copy of the report. Such report shall be read out at the General Assembly Meeting.
<b>Part Six: Auditor</b>	
<b>Article Forty Four</b>	<b>Appointment of the Auditor:</b> The Company shall have one or more auditors from amongst the auditors licensed to operate in the KSA. The Ordinary General Assembly shall annually appoint the auditor and shall specify his remuneration and term of office. The Assembly may also, at all times, change the auditor without prejudice to his right to claim compensation if the change occurred at inappropriate time or for an illegitimate reason.
<b>Article Forty Five</b>	<b>Powers of the Auditor:</b> 1- The Auditor may, at any time, have access to the books and records of the Company and any other documents, may ask for any statements or clarifications he deems necessary to verify the assets and liabilities of the Company and may perform any other function within the scope of his work. The Chairman of the Board of Directors shall enable the Auditor to perform his duties. If the Auditor faces any difficulty in this regard, he shall state that fact in a report to be submitted to the Board. If the Board does not facilitate the job of the Auditor, the Auditor shall ask the Board to call for a meeting of the Ordinary General Assembly to consider the issue. 2- The Auditor shall present to the annual Ordinary General Assembly a report prepared in accordance with generally accepted auditing standards, stating the extent to which the Company has enabled him to obtain the information and clarifications he has requested, any violations of the Companies Law or the Company's Bylaws that he has discovered, and its opinion as to whether the Company's financial statements are fair. The Auditor shall read out his report before the General Assembly. If the General Assembly resolves to approve the Board's report and the financial statements without listening to the auditor's report, its decision shall be null. 3- The Auditor may not disclose to shareholders at a non-general assembly meeting or to third parties the secrets of the Company that he becomes privy to in the course of performing his duty; otherwise, he shall be removed and be liable for compensation. The Auditor shall be held liable for damages sustained by the Company, the shareholders or third parties due to faults attributed to the Auditor's performance of his duties. If such faults are the responsibility of multiple auditors, said auditors shall be held jointly liable.
<b>Part Seven: Company's Accounts and Distribution of Dividends</b>	
<b>Article Forty Six</b>	<b>Financial Year:</b> The Company's financial year will commence on the 1st of January and will end by the end of December of each year. The first financial year will commence from the registration date the Company with the Commercial Register and will end by the end of December of the following year.

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<p><b>Article Forty Seven</b></p>	<p><b>Financial Documents:</b></p> <p>1- At the end of the financial year, the Board shall prepare the Company's financial statements and a report about its activities and financial position for the previous financial year. The report must include the method proposed for distribution of dividends. The Board shall put these documents at the disposal of the Auditor at least forty five days prior to the date scheduled for the convening of the General Assembly.</p> <p>The Company's Chairman of the Board, CEO and CFO shall sign the documents referred to in paragraph (1) of this Article. Copies of these documents shall be kept at the Company's Head Office at the disposal of the shareholders at least twenty one days prior to the date scheduled for the convening of the General Assembly.</p> <p>The Chairman of the Board shall provide the shareholders with the Company's financial statements, the Board report and the Auditor's report. The Chairman of the Board shall also send a copy of these documents to the Ministry and the Capital Market Authority at least fifteen days prior to the date scheduled for the convening of the General Assembly.</p>	
<p><b>Article Forty Eight</b></p>	<p><b>Distribution of Dividends:</b> After deduction of all overheads and other costs, the annual net profits of the Company shall be distributed as follows:</p> <p>1- Ten percent (10%) of the net profits shall be set aside to form the Company's statutory reserve. This may be discontinued by the Ordinary General Assembly when said reserve reaches 30% of the paid-up capital.</p> <p>2- The Ordinary General Assembly may, based on a proposal by the Board, set aside a percentage of no less than 1% of the net profits to form additional reserves; to the extent that this serves the Company's interest or ensures, as far as possible, consistent distribution of dividends to shareholders. The Ordinary General Assembly may also deduct amounts from the net profits to establish social institutions for the Company's employees or to assist such existing institutions.</p> <p>3- The General Assembly may, based on a proposal by the Board, distribute from the remainder thereafter to the shareholders a percentage of not less than 5% of the Company's paid-up capital.</p> <p>4. Subject to the provisions stipulated in Article Twenty One of these Bylaws pertaining to the remunerations of the Board of Directors, and Article Seventy Six of the Companies Law, a percentage not exceeding ten percent (10%) of the remainder shall be allocated to the remunerations of the Board of Directors, provided that the entitlement to such remunerations shall be proportional to the number of meetings attended by the member.</p> <p>The Company may distribute interim profits to its shareholders biannually or quarterly after fulfilling the regulatory requirements and controls prescribed in this regard.</p>	
<p><b>Article Forty Nine</b></p>	<p><b>Entitlement to Dividends:</b> The shareholder shall be entitled to his share in the profits in accordance with the resolution of the General Assembly issued in this regard or the resolution of the Board of Directors to distribute interim dividends. The resolution shall specify the entitlement date and the distribution date. Shareholders registered in the shareholders' registers shall be entitled to dividends at the end of the entitlement date.</p>	
<p><b>Article Fifty</b></p>	<p><b>Distribution of Dividends to Holders of Preferred Shares:</b></p> <p>1- If no dividends are distributed for any financial year, no dividends may be distributed for the following years until the percentage specified in Article one Hundred Fourteen of the Companies Law has been paid to the holders of preferred shares for that year.</p> <p>2- If the Company fails to pay the specified percentage in Article One Hundred</p>	
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	Fourteen of the Companies Law for three consecutive years, the special assembly of holders of preferred shares, convened pursuant to Article Eighty Nine of the Companies Law, may resolve either to attend the meetings of the Company's General Assembly and to participate in voting, or appoint representatives thereof at the Board in proportion with the value of their share capital, until the Company pays all priority dividends allocated to those shareholders for the previous years.
<b>Article Fifty One</b>	<p><b>Company's Losses:</b></p> <p>1- If the joint stock company's losses amount to half of the paid-up capital at any time during the financial year, any of the Company's officers or the Auditor shall, immediately upon becoming aware of such, notify the Board Chairman, who in turn shall forthwith inform the Board. The Board shall, within fifteen days from being aware of the losses, call on the Extraordinary General Assembly to convene within forty five days from the date of being aware of the losses; to either increase or decrease the Company's capital in accordance with provisions of the Companies Law, to the extent that the losses are reduced to less than half of the paid-up capital, or to dissolve the Company before the expiry of its term set forth in the Company's Bylaws.</p> <p>2- The Company shall be deemed to have expired by operation of the Companies Law if the General Assembly does not meet within the time specified in paragraph (1) of this Article, if the Assembly meets and is unable to pass a resolution in this regard or if the Assembly decides to increase the capital according to the conditions stipulated in this Article but not all of the capital increase shares have been subscribed to within ninety days from the date the Assembly's resolution to increase the capital is passed.</p>
<b>Part Eight: Disputes</b>	
<b>Article Fifty Two</b>	<b>Liability Claim:</b> Each shareholder has the right to file the Liability Claim, which is vested in the Company, against the Board members if they committed a fault which has caused special damage to the shareholder. The shareholder may not file such claim unless the Company is still entitled to file the same. The shareholder shall inform the Company of his/her intent to file the Liability Claim.
<b>Part Nine: Dissolution and Liquidation of the Company</b>	
<b>Article Fifty Three</b>	<b>Expiration of the Company:</b> Upon expiry of the Company, it shall enter into a liquidation period during which it shall maintain its legal personality to the extent necessary for liquidation. Optional liquidation may only be adopted by the Extraordinary General Assembly. The liquidation resolution shall include the appointment of a liquidator and shall specify his powers, fees, restrictions imposed on its powers, and the period required for liquidation. The term of optional liquidation shall not exceed five years, and it may not be extended beyond that except by a judicial order. The powers of the Company's Board of Directors shall end upon the dissolution of the Company; however, it shall continue to manage the Company and act as a liquidator until the liquidator is appointed. During the liquidation period, the shareholders' general assemblies shall continue to exercise their powers to the extent that they do not conflict with those of the liquidator.
<b>Part Ten: Final Provisions</b>	
<b>Article Fifty Four</b>	The Companies Law and its Regulations shall apply to all matters not provided for in these Bylaws.
<b>Article Fifty Five</b>	These Bylaws shall be filed and published in accordance with the provisions of the Companies Law and its Regulations.

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