

Extraordinary General Assembly

Modern Mills Company

(First Meeting)

Location : Jeddah - via modern technology (Remotely).

Date : 06/12/1445H

Corresponding to 12/06/2024G

Time : 08:30 PM

Exteradionay General Assembly Meeting Agenda

#	Items
01	Review and discuss the Board of Directors' report for the fiscal year ending on 31/12/2023.(attached)
02	Vote on the External Auditors' Report for the financial year ending on 31/12/2023 after discussing it. (attached)
03	Review and discuss the Company's financial statements for the fiscal year ending on 31/12/2023.(attached)
04	Vote on appointing the Company's auditor from among the candidates, based on the recommendation of the Audit Committee, to examine, review and audit the financial statements for the second and third quarters and the full year of the financial year 2024, and the first quarter of the financial year 2025, and determine his fees. (attached)
05	Vote on the delegation of the authority of the Ordinary General Assembly to the Board of Directors with the authorization under Article 27(1) of the Companies Law, for a period of one year from the date of the General Assembly's approval or until the end of the delegated Board of Directors' term, whichever comes first, in accordance with the conditions stated in the Implementing Regulations of the Companies Law for Listed Joint Stock Companies.
06	Vote on the delegation of the authority of the Ordinary General Assembly to the Board of Directors, with the authorization under Article 27(2) of the Companies Law, for a period of one year from the date of the General Assembly's approval, or until the end of the delegated Board of Directors' term, whichever comes first, for the activities of selling flour, bran, and feed in accordance with the conditions stated in the Implementing Regulations of the Companies Law for Listed Joint Stock Companies
07	Vote on the disbursement of 440,660 SAR as remuneration to the Board members for the financial year ended on 31/12/2023.
08	Vote on authorizing the Board of Directors to distribute interim dividends on a semi/quarterly basis for the financial year 2024G.
09	Vote on the Board's recommendation to distribute annual dividends in the amount of 81,832,000 SAR to the shareholders for the financial year 2023, at a rate of 1 SAR per share, equivalent to 100% of the share capital, provided that the entitlement is for the shareholders holding the shares by the end of the trading day of the assembly date, and who are registered in the Company's shareholders registry held with the Securities Depository Center Company (Edaa) at the end of the second day following the entitlement date. The distribution date will be announced later. (attached)
10	Vote on the Board's resolution to appoint Mr. Nafez Riad Almorhabi as an independent member of the Board starting from that date of his appointment on 26/04/2024 to continue the current term of the Board ending on 15/08/2027, in place of the resigned independent Board member, Mr. Abdulrahman Saud Alowais.(the CV is attached)
11	Vote on the discharge of the members of the Board from any responsibility for the Company's management during the financial year 2023.
12	Vote on amending Article (1) of the company's Bylaws, related to (Incorporation). (attached)

#	Items
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13	Vote on amending Article (2) of the company's Bylaws, related to (Company's Name).(attached)
14	Vote on amending Article (8) of the company's Bylaws, related to (Subscription to Shares).(attached)
15	Vote on deleting Article (9) of the company's Bylaws, related to (Shareholder Register).(attached)
16	Vote on amending Article (10) of the company's Bylaws related to (Trading of shares).(attached)
17	Vote on amending Article (11) of the company's Bylaws, related to (Sale of Partly Paid-Up Shares) (attached)
18	Vote on amending Article (13) of the company's Bylaws, related to (Capital Increase).(attached)
19	Vote on deleting Article (19) of the company's Bylaws due to redundancy, related to (Expiry or Termination of Board Membership).(attached)
20	Vote on amending Article (20) of the company's Bylaws, related to (Expiration of the Board of Directors' term, retirement of its members, or vacancy of membership).(attached)
21	Vote on amending Article (23) of the company's Bylaws, related to (Powers of the Chairperson, Vice-Chairperson, Managing Director, and Secretary).(attached)
22	Vote on amending Article (32) of the company's Bylaws, related to (Calling for Assemblies).(attached)
23	Vote on amending Article (38) of the company's Bylaws, related to (Attendance of Assemblies).(attached)
24	Vote on amending Article (52) of the company's Bylaws, related to (Final Provisions).(attached)
25	Vote on amending Article (53) of the company's Bylaws, related to (Publication).(attached)

Item No.1

Review and discuss the Board of Directors' report for the fiscal year ending on 31/12/2023.

**The Board of Directors' Report for
the fiscal year ending on 31/12/2023.
can be viewed via the link:**

(The Board of Directors' Report)

Audit Committee Report for Fiscal Year 2023

Audit Committee's Report on the Fiscal Year Ended December 31, 2023

Introduction

In 2023, the Audit Committee oversaw efficiency and effectiveness of the internal control environment at Modern Mills Company. To assess that, a number of meetings were held during 2023 with the head of Internal Audit, Senior Management and External Auditors. This report briefly summarizes the Audit Committee roles and responsibilities, meetings conducted, effectiveness of the internal control system and the Audit Committee opinion on internal control system.

1-Meetings of the Audit Committee During 2023

Name of the Member	Meetings of the Audit Committee During 2023							Member Number of Meetings	Attendance Rate
	1 st Meeting 19 th January	2 nd Meeting 21 st March	3 rd Meeting 5 th July	4 th Meeting 27 th August	5 th Meeting 02 nd October	6 th Meeting 26 th October	7 th Meeting 06 th December		
Ehsan Amanullah Makhdoum	✓	✓	✓	✓	✓	✓	✓	7	100%
Lisa Meeks	✓	✓	✓	✓	✓	✓	✓	7	100%
Mohammed Abdulhafiz	✓	✓	✓	✓	✓	✓	✓	7	100%
Abdulrhman Al Owais)*	-	-	-	-	-	X	✓	1	14.2%

- **Mr. Abdulrahman Alowais** joined the Audit Committee after its reformation on 04/04/1445 H, corresponding to 19/10/2023.

2-Responsibilities and activities of the Audit Committee

The Audit Committee has conducted the following activities during the year:

Financial reports

- Analysing the Company's interim and annual financial statements before presenting them to the board and providing its opinion and recommendations thereon to ensure their integrity, fairness, and transparency.
- Providing its technical opinion, at the request of the Board, regarding whether the board's report and the company's financial statements are fair, balanced, understandable, and contain information that allows shareholders and investors to assess the company's financial position, performance, business model, and strategy.
- Analysing any important or non-familiar issues contained in the financial reports.

- Accurately investigating any issues raised by the Company's management or any person assuming his/her duties or the Company's compliance officer or external auditor.
- Examining the accounting estimates in respect of significant matters that are contained in the financial reports.
- Examining a set of operational, accounting and information technology and cybersecurity policies followed by the Company and providing its opinion and recommendations thereon.

Internal audit

- Examining and reviewing the Company's internal and financial control systems.
- Analysing the internal audit reports and following up the implementation of the corrective measures in respect of the remarks made in such reports.
- Monitoring and overseeing the performance and activities of the internal auditor and internal audit department of the Company, to ensure the availability of the necessary resources and their effectiveness in performing the assigned activities and duties.

External auditor

- Providing recommendations to the board to nominate external auditors, dismiss them, determine their remunerations, and assess their performance after verifying their independence and reviewing the scope of their work and the terms of their contracts.
- Verifying the independence of the external auditor, its objectivity, fairness, and effectiveness of the audit activities, considering the relevant rules and standards.
- Reviewing the plan of the Company's external auditor and its activities and ensuring that it does not provide any technical, administrative, or consulting works that are beyond its scope of work and provides its opinion thereon.
- Responding to queries of the Company's external auditor.
- Reviewing the external auditor's reports and its comments on the financial statements and following up the procedures taken in connection therewith.

Legal matters

- Regularly inquires of legal counsel regarding any pending or threatened legal actions, ensuring pre-emptive measures and responses are appropriately positioned.
- Reviews legal update slides prepared for the committee on a quarterly basis, staying abreast of legal and regulatory changes pertinent to the company's operations.
- Analyses internal audit reports, which include a comprehensive review of controls against GFSA (former SAGO) requirements, as well as compliance with Civil

Defence, the General Organization for Social Insurance (GOSI), and the Ministry of Human Resources and Social Development standards.

- Enterprise Risk Management Oversight
- In 2023 the committee received an additional responsibility of risk management oversight, where the committee is looking to establish and oversee a structured approach to the company's risk management.

3-Effectiveness of the internal control system

Internal Control

Executive management is responsible for establishing and maintaining an adequate and effective internal control system, which necessitates abiding by policies, procedures, and processes that the executive management, under Board supervision, has put in place to ensure the realization of its strategic aspirations and to protect its assets.

The scope of the Internal Audit function includes periodic assessment of the adequacy and effectiveness of the internal control system, as well as the compliance and implementation of all applicable policies, procedures, and regulatory requirements. All significant and material findings from Internal Audit function reviews and corrective actions are reported to senior executive management and the Audit Committee. The Audit Committee reviews significant and material findings periodically. The Board of Directors has full access to all reports of its committees, which include the annual internal audit report. These are reviewed regularly to provide an ongoing assessment of the effectiveness of the internal control system facilitating the identification of any potential deficiency.

Annual review of the effectiveness of internal control procedures

For 2023, audits conducted during the year confirmed that the systems and procedures for the identification, evaluation, and management of the risks that may be faced by the Company have been achieved to a reasonable extent with no significant deficiencies in the control environment.

It is essential to acknowledge no control system can provide absolute assurance. And is not possible to absolutely confirm the comprehensiveness of the examinations and evaluations of internal controls, as auditing is based on random sampling.


4-Opinion of the Audit Committee

To provide a reasonable assurance opinion concerning the internal control system's effectiveness, the Audit Committee supervises the Internal Audit function, which routinely evaluates the internal control system's adequacy and effectiveness. The committee also reviews the external auditor's reports, including significant accounting estimates, and management letters, which might include any weakness of internal control noted by external auditors as part of their internal control assessment. The Committee also reviews and discusses legal matters with the in-house counsel. The Audit Committee also considers that management position in general regarding internal control is positive, as the majority of activities are governed by written policies and procedures, and management reacts positively towards the recommended policies or improvements.

Based on the above, the Audit Committee considers that the objectives of the internal control system have been achieved to a reasonable extent.

The Audit Committee also stresses that the emerging stage requires the Board of Directors and management to work on updating the control environment and risk management systems to help overcome current or future changes and challenges at all levels with regard to the efficiencies and effectiveness of the company's operations.

Audit Committee
Modern Mills Company



Mr. Ehsan Makhdoum
Chairman of Audit Committee

Item No.2

**Vote on the External Auditors' Report
for the financial year ending on
31/12/2023 after discussing it.**



KPMG Professional Services

Zahran Business Center
Prince Sultan Street
P. O. Box 55078
Jeddah 21534
Kingdom of Saudi Arabia
Commercial Registration No 4030290792

Headquarters in Riyadh

كي بي إم جي للاستشارات المهنية

مركز زهران للأعمال
شارع الأمير سلطان
ص. ب. 55078
جده 21534
المملكة العربية السعودية
سجل تجاري رقم 4030290792

المركز الرئيسي في الرياض

Independent Auditor's Report

To the Shareholders of Modern Mills Company

Opinion

We have audited the consolidated financial statements of **Modern Mills Company ("the Company")** and **its subsidiary ("the Group")**, which comprise the consolidated statement of financial position as at 31 December 2023, the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the consolidated financial statements, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards), that is endorsed in the Kingdom of Saudi Arabia, that are relevant to our audit of the consolidated financial statements, and we have fulfilled our other ethical responsibilities in accordance with the Code's requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



Independent Auditor's Report

To the Shareholders of Modern Mills Company (continued)

Revenue recognition

Refer Note 4.7 for the accounting policy relating to revenue recognition and Note 23 for the relevant disclosure.

Key audit matter

During the year ended 31 December 2023, the Group recognized total net revenue of SR 939 million (2022: SR 978 million).

Revenue from sales is recognised at point in time when control over the goods is transferred to the customer on delivery of the goods in accordance with "IFRS 15 - Revenue from contracts with customers".

Revenue is a key indicator for measuring performance, and this implies the presence of inherent risks to overstate revenue recognition to increase profitability and earnings. Therefore, revenue recognition was considered a key audit matter.

How the matter was addressed in our audit

Our audit procedures performed included, among other audit procedures, the following:

- Assessed the appropriateness of the Company's accounting policies for revenue recognition in line with the requirements of IFRS Accounting Standards that are endorsed in Kingdom of Saudi Arabia;
- Evaluated key contractual and returns arrangements by considering relevant documentation and agreements with the customers;
- Assessed the design and implementation, of the Company's controls over the recognition of revenue;
- Performed variance analysis by comparing the current year's revenue with the historical trend, and discussed material variances, if any;
- Selected sample of sales transactions throughout the year and inspected the supporting documents to assess they were recognized at the correct amounts.
- Recalculated and inspected discounts and rebates for a sample of customers according to their agreements.
- Inspected sample of sales transactions taking place before and after the year-end to assess whether revenue was recognized in the correct accounting period; and
- Assessed the adequacy of the relevant disclosures in accordance with the requirements of IFRS 15 included in the consolidated financial statements.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the consolidated financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, when made available to us, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.



Independent Auditor's Report

To the Shareholders of Modern Mills Company (continued)

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA, the applicable requirements of the Regulations for Companies and Company's By-laws and for such internal controls as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, the Board of directors, are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. 'Reasonable assurance' is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, then we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entity or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.



Independent Auditor's Report

To the Shareholders of Modern Mills Company (continued)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit of **Modern Mills Company ("the Company") and its subsidiary ("the Group")**.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

KPMG Professional Services

Ebrahim Oboud Baeshen
License No. 382



Jeddah, 31 March 2024
Corresponding to 21 Ramadan 1445H

Item No.3

Review and discuss the Company's financial statements for the fiscal year ending on 31/12/2023.

**The Company's Financial Statements
for the Fiscal year ending on
31/12/2023 can be viewed via the
following link:**

(Financial Statements)

Item No.4

Vote on appointing the Company's auditor from among the candidates, based on the recommendation of the Audit Committee, to examine, review and audit the financial statements for the second and third quarters and the full year of the financial year 2024, and the first quarter of the financial year 2025, and determine his fees.(attached)

المطاحن الحديثة MODERN MILLS

Sub: Audit Committee's Recommendation on External Auditor appointment.

Date: 16/10/1445 H

Corresponding to: 25/04/2024 G

الموضوع: توصية لجنة المراجعة لاختيار مراجع الحسابات

التاريخ: ١٤٤٥/١٠/١٦ هـ

الموافق: ٢٠٢٤/٠٤/٢٥ م

Following an invitation extended to various external auditors firms to review the preliminary financial statements for the second and third quarters of fiscal year 2024, and the first quarter of fiscal year 2025, as well as to conduct an audit of the annual financial statements at the end of fiscal year 2024 for the Modern Mills Company, the committee has received the following two proposals:

بناء على الدعوة الموجهة لعدد من مكاتب المراجعة الخارجية لفحص القوائم المالية الأولية للربع الثاني والثالث من العام المالي ٢٠٢٤م والربع الأول من العام المالي ٢٠٢٥م ومراجعة وتدقيق القوائم المالية السنوية كما في نهاية العام المالي ٢٠٢٤م لشركة المطاحن الحديثة للمنتجات الغذائية، وقد استلمت اللجنة العرضين التاليين:

Offer provided by	Service Charge (SAR)	اتعاب التدقيق (ريال سعودي)	عرض مقدم من
KPMG Professional Service Co	787,000	٧٨٧,٠٠٠	شركة كي بي ام جي للاستشارات المهنية
Dr. Mohamed Al-Amri & Co	480,000	٤٨٠,٠٠٠	شركة الدكتور محمد العمري وشركاه - محاسبون قانونيون

The proposed changes does not include VAT.

هذه الإتعاب غير شاملة ضريبة القيمة المضافة

Conclusion

After reviewing and discussing the proposals received, the Audit Committee recommends selecting one of the above-mentioned offers, chosen for its technical and financial appropriateness. The committee recommends reappointing KPMG for professional consulting for a second consecutive year, recognizing the firm's credibility with shareholders and investors. This recommendation aims to maintain the stability of the external auditor's services and to prevent any disruptions that could arise from changes in a short timeframe.

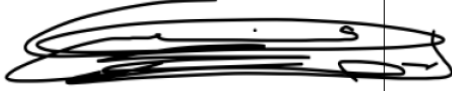



This recommendation is approved by:

الخلاصة

بعد الاطلاع على العروض التي وصلت إلى اللجنة وبعد مناقشتها، ترشح لجنة المراجعة اختيار أحد العروض المذكورة أعلاه وقد تم ترشيحها بناء على ملاءمتها من الناحية الفنية والمالية وتوصي اللجنة بإعادة تعيين شركة كي بي ام جي للاستشارات المهنية للسنة الثانية لكونها شركة تحظى بثقة المساهمين والمستثمرين ولضمان استقرار أعمال المراجع الخارجي وتفادي عملية التغيير خلال فترة وجيزة.

وتم اعتماد هذه التوصية من قبل:

المطاحن الحديثة
MODERN MILLS

التوقيع Signature	المنصب Role	الاسم Name
	الرئيس Chairman	احسان مخدوم Ehsan Makhdoum
	عضو Member	محمد عبد الحافظ Mohammed Abdel Hafez
	عضو Member	ليزا ميكس Lisa Meeks
	عضو Member	عبد الرحمن العويس Abdulrhman Al Owais

Item No.5

Vote on the delegation of the authority of the Ordinary General Assembly to the Board of Directors with the authorization under Article 27(1) of the Companies Law, for a period of one year from the date of the General Assembly's approval or until the end of the delegated Board of Directors' term, whichever comes first, in accordance with the conditions stated in the Implementing Regulations of the Companies Law for Listed Joint Stock Companies.

Item No.6

Vote on the delegation of the authority of the Ordinary General Assembly to the Board of Directors, with the authorization under Article 27(2) of the Companies Law, for a period of one year from the date of the General Assembly's approval, or until the end of the delegated Board of Directors' term, whichever comes first, for the activities of selling flour, bran, and feed in accordance with the conditions stated in the Implementing Regulations of the Companies Law for Listed Joint Stock Companies.

Item No.7

Vote on the disbursement of 440,660 SAR as remuneration to the Board members for the financial year ended on 31/12/2023.

Item No.8

Vote on authorizing the Board of Directors to distribute interim dividends on a semi/quarterly basis for the financial year 2024G.

Item No.9

Vote on the Board's recommendation to distribute annual dividends in the amount of 81,832,000 SAR to the shareholders for the financial year 2023, at a rate of 1 SAR per share, equivalent to 100% of the share capital, provided that the entitlement is for the shareholders holding the shares by the end of the trading day of the assembly date, and who are registered in the Company's shareholders registry held with the Securities Depository Center Company (Edaa) at the end of the second day following the entitlement date. The distribution date will be announced later. (attached)

On 21/09/1445 H, corresponding to 31/03/2024, Modern Mills Company declared that its Board of Directors approved a resolution to distribute cash dividends to shareholders for the fiscal year 2023. For further details, please click on the following link:

[\(Announcement of Annual Dividends Distribution\)](#)

Item No.10

Vote on the Board's resolution to appoint Mr. Nafez Riad Almorhabi as an independent member of the Board starting from that date of his appointment on 26/04/2024 to continue the current term of the Board ending on 15/08/2027, in place of the resigned independent Board member, Mr. Abdulrahman Saud Alowais.(the CV is attached)



Form No. (1) Resume

a) Personal information of the Nominated Member						
Full Name	Nafez Riad Al Morhabi					
Nationality	Lebanese	Date of Birth	23 May1974			
b) Academic Qualifications of the Nominated Member						
#	Qualification	Specialization	Date of obtaining the qualifications	The issuer of the qualification		
1	Bachelor - BBA	Business Administration	06 / 1995	University of Balamand - Lebanon		
2	Masters - MA	Accounting and Finance	09/ 1996	University of Lancaster - UK		
3						
4						
5						
c) Experiences of the Nominated Member						
Period		Experience				
1997 - 2010		The Savola Group: Executive Positions in the Retail, Packaging, and Food Sectors of the Group. Last position was the Group Chief Investment Officer				
2011 - 2023		KPMG: Head of the Mergers and Acquisitions practice in the advisory function, then Head of Beirut office, and the last position from 2020 to 2023 was the Chief Operating Officer responsible for the internal back office administrative operations				
d) Current membership in the board of directors of other joint stock companies (listed or non-listed) or any other company, regardless of its legal form or the committees deriving from it:						
#	Company name	Main activity	Members hip type (executive, non-executive, independent)	Nature of the membership (in personal capacity, representative of legal person)	Member ship of the committees	Legal form of the company
1	Key Car Rental	Car Rental	Independent	Personal Capacity	NRC	Closed Joint Stock
2						
3						
4						

Item No.11

Vote on the discharge of the members of the Board from any responsibility for the Company's management during the financial year 2023.

Item No.12

Vote on amending Article (1) of the company's Bylaws, related to (Incorporation). (attached)

Item No.13

Vote on amending Article (2) of the company's Bylaws, related to (Company's Name). (attached)

Item No.14

Vote on amending Article (8) of the company's Bylaws, related to (Subscription to Shares). (attached).

Item No.15

**Vote on deleting Article (9) of the
company's Bylaws,related to
(Shareholder Register).(attached)**

Item No.16

Vote on amending Article (10) of the company's Bylaws related to (Trading of shares).(attached)

Item No.17

Vote on amending Article (11) of the company's Bylaws, related to (Sale of Partly Paid-Up Shares).(attached)

Item No.18

Vote on amending Article (13) of the company's Bylaws, related to (Capital Increase).(attached)

Item No.19

Vote on deleting Article (19) of the company's Bylaws due to redundancy, related to (Expiry or Termination of Board Membership).(attached)

Item No.20

Vote on amending Article (20) of the company's Bylaws, related to (Expiration of the Board of Directors' term, retirement of its members, or vacancy of membership).(attached)

Item No.21

Vote on amending Article (23) of the company's Bylaws, related to (Powers of the Chairperson, Vice-Chairperson, Managing Director, and Secretary).(attached)

Item No.22

Vote on amending Article (32) of the company's Bylaws, related to (Calling for Assemblies).(attached)

Item No.23

Vote on amending Article (38) of the company's Bylaws, related to (Attendance of Assemblies).(attached)

Item No.24

Vote on amending Article (52) of the company's Bylaws, related to (Final Provisions).(attached)

Item No.25

**Vote on amending Article (53) of
the company's Bylaws, related to
(Publication).(attached)**

(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>

instruments into shares, provided that the designated period for such conversion has not yet concluded.

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.

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.

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.

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.

6. Subject to the provisions of Paragraph (4), the new shares shall be apportioned among the holders of pre-emptive rights who have

shares, provided that the designated period for such conversion has not yet concluded.

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.

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. 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.

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.

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>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>

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.

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:
 - (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:
 - (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.

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.

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:
 - (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:
 - (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.

	(d) The agenda for the meeting, listing the items upon which shareholders will vote.	
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>