



البابطين للطاقة و الاتصالات
AL-BABTAIN POWER & TELECOM

Article of Association
Al Babbain Power & Telecommunication Co.
Saudi joint stock listed company

Chapter (1)
The Establishment of the company

Article 1: Establishment

The company establishment according to the company's law and its regulations, and this system is Saudi listed company according to the following:

Article 2: The name of the company

The name of the company is :(Al Babbain Power & Telecommunication Company)
Saudi joint stock listed company.

Article 3: The purposes of the company:

The company carries out and implements the following purposes:

- 1- Manufacturing industries and their branches according to industrial licenses.
- 2- Electricity, gas, power, water and its branches.
- 3- Construction and building.
- 4- Trade.
- 5- Mines, petroleum and its branches.
- 6- Transportation, storage and refrigeration.
- 7- Information technology.
- 8- Financial, business and other services.
- 9- Security and safety.
- 10 Social, group and personal services.
- 11- Agriculture and fishing.

The company practice its activities in accordance with the applicable regulations and after obtaining the necessary licenses from the competent authorities, if any



Article 4: Share an owner in companies.

The company may establish companies on its own (with limited liability or closed joint stock) in accordance with the provisions of the Companies Law, and it may also own shares and shares in other existing companies or merge with them, and it has the right to participate with others in the establishment of joint stock or limited liability companies, after fulfilling the required by the regulations and instructions followed in this regard. The company may also dispose of these shares or shares, provided that this does not include mediation in their trading.

Article 5: The Company head quarter:

The head quarter of the company in Riyadh in the Kingdom of Saudi Arabia, and the board of directors may establish branches, offices, or proxy in the Kingdom of Saudi Arabia or outside it by board decision.

Article 6: The period of the company:

The period of the company is ninety nine years start from the date of the issuance of the ministerial decision announcing its conversion from a limited liability company to a Saudi joint stock company, and the company's term may always be extended by a decision issued by the extraordinary general assembly at least one year before the expiry of its term

Chapter (2)
The Capital and Shares

Article 7: The Company's capital.

The capital of the company is SR 426,313,120 (hundred twenty-six million three hundred and thirteen thousand one hundred twenty Saudi riyals) divided into 42,631,312 (forty two million six hundred and thirty-one thousand three hundred and twelve) stocks Equal values, the value of the share is SR 10 (ten Saudi riyals), all of which are ordinary cash shares.



Article 8: Subscription to Shares

The shareholders have subscribed to the entire capital stock amounting to (42,631,312), the value of which is (426,313,120) Saudi riyals, fully paid up.

Article 9- The Preferred Shares

The Extraordinary General Assembly of the company may, according to the principles set by the competent authority, issue preferred shares or decide to purchase them, convert ordinary shares into preferred shares, or convert preferred shares into ordinary ones. Preferred shares do not give the right to vote in the general assemblies of shareholders. To obtain a percentage greater than the ordinary stock holders of the company's net profits after setting aside the statutory reserve.

The company may also buy or mortgage its shares in accordance with the regulations set by the competent authority, and the shares purchased by the company shall not have votes in the shareholders' assemblies.

Shares may be mortgaged according to regulations set by the competent authority, and the mortgagee creditor may receive profits and use rights related to the share, unless otherwise agreed in the mortgage contract. However, the mortgagee creditor may not attend or vote at the meetings of the general assembly of shareholders.

Article 10: Sale of Unpaid Shares

The shareholder is obligated to pay the value of the share on the dates specified for this. If he fails to pay on the due date, the board of directors may, after informing him through various means of communication, or notify him by a registered letter, sell the share in the public auction or the stock market, as the case may be, in accordance with the regulations set by the competent authority.

The company shall collect the amounts due to it from the sale proceeds and return the remainder to the shareholder. If the sale proceeds are not sufficient to meet these amounts, the company may collect the remainder from all the shareholder's money.

Nevertheless, the shareholder who defaulted on payment until the day of the sale may pay the value due from him in addition to the expenses incurred by the company in this regard.



Article 11: Issuance of Shares:

The shares are nominal, and the shares may not be issued for less than their nominal value, but may be issued for a higher than this value. In this last case, the difference in value is added in a separate item within the shareholders' equity. It may not be distributed as dividends to shareholders. The share is indivisible in the face of the company. If the share is owned by multiple people, they must choose one of them to represent them in the use of the rights related to it. These persons shall be jointly liable for the obligations arising from the ownership of the share.

Article 12: Shares Trading

Shares subscribed by the founders may not be traded except after publishing the financial statements for two fiscal years, each of which is not less than twelve months from the date of incorporation of the company. However, during the prohibition period, the ownership of shares may be transferred in accordance with the provisions of the sale of rights from one of the founders to another founder or from the heirs of one of the founders in the event of his death to third parties or in the event of execution on the funds of the insolvent or bankrupt founder, provided that the priority of owning those shares is given to the other founders.

The provisions of this article shall apply to what the founders subscribe to in the event of an increase in the capital before the expiry of the prohibition period.

Article 13- Shareholders Register

The company's shares are traded in accordance with the provisions of the Capital Market system.

Article 14: Increase the Capital

- 1- The Extraordinary General Assembly may decide to increase the company's capital, provided that the capital has been paid in full, and it is not required that the capital has been paid in full if the unpaid part of the capital belongs to shares issued in exchange for converting debt instruments or financing instruments into shares and did not Expires after the period prescribed for conversion into shares.



- 2- The Extraordinary General Assembly may, in all cases, allocate the shares issued upon the capital increase, or part of it, to the employees of the company and the subsidiaries or some of them, or any of that. The shareholders may not exercise the right of priority when the company issues the shares allocated to the employees.
- 3- The shareholder who owns the share at the time of the issuance of the extraordinary general assembly's decision approving the capital increase has priority in subscribing to the new shares issued in exchange for cash shares. And the date of its start and end.
- 4- The Extraordinary General Assembly has the right to suspend the priority right of the shareholders to subscribe to the capital increase in exchange for cash shares, or to give priority to non-shareholders in the cases it deems appropriate for the interest of the company.
- 5- The shareholder has the right to sell or assign the priority right during the period from the time of the issuance of the general assembly's decision approving the capital increase until the last day of subscribing to the new shares associated with these rights, in accordance with the regulations set by the competent authority.
- 6- Taking into account what was mentioned in paragraph (4) above, the new shares shall be distributed to the priority rights holders who requested subscription, in proportion to their priority rights out of the total priority rights resulting from the capital increase, provided that what they receive does not exceed what they have requested of the new shares. The remainder of the new shares shall be distributed to the priority rights holders who have requested more than their share, in proportion to their priority rights out of the total priority rights resulting from the capital increase, provided that what they receive does not exceed what they have requested of the new shares, and the remaining shares are subtracted to others. Unless the Extraordinary General Assembly decides or the Capital Market Law provides otherwise.

Article 15: Decrease the Capital

The Extraordinary General Assembly may decide to reduce the capital if it exceeds the company's needs or if it suffers losses. In the latter case alone, the capital may be reduced below the limit stipulated in Article (fifty-fourth) of the Companies Law. The reduction



decision shall not be issued except after reading a special report prepared by the auditor on the reasons for it, the obligations of the company, and the effect of the reduction on these obligations.

And if the capital reduction is a result of it being more than the company's need, the creditors must be called to express their objections to it within sixty days from the date of publishing the reduction decision in a daily newspaper distributed in the area in which the company's head office is located. If one of the creditors objects and submits his documents to the company on the aforementioned date, the company must pay him his debt if it is immediate or provide him with a sufficient guarantee to pay it if it is deferred.

Chapter (3) **Company Management**

Article 16: Company Management

The company is managed by a board of directors consisting of nine (9) members elected by the ordinary general assembly of shareholders for a period not exceeding three years, and they may be re-elected for another period or periods. The candidate for membership of the Board of Directors must own a number of company shares with a nominal value of not less than ten thousand riyals (10,000 riyals).

Article 17: End of the board membership

The membership of the Board shall expire by the end of its term or by the expiration of the member's validity according to any system or instructions in force in the Kingdom. However, the Ordinary General Assembly may at all time dismiss all or some of the members of the Board of Directors without prejudice to the right of the dismissed member towards the company to claim compensation if the dismissal occurred for a reason other than acceptable or at an inappropriate time, and a member of the board of directors may retire, provided that it is at an appropriate time, otherwise he will be liable before the company for the damages resulting from the retirement.



Article 18: Vacant Position in the Board

If the position of a member of the Board of Directors becomes vacant, the Board may appoint a temporary member in the vacant position, provided that he is one of those who have sufficient experience and competence. The Ministry and the Capital Market Authority must be informed of this within five working days from the date of appointment, and the appointment shall be presented to the Ordinary General Assembly at the first meeting. The new member shall complete the term of his predecessor, and if the necessary conditions for the convening of the board of directors are not met because the number of its members is less than the minimum stipulated in the Companies Law or this bylaw, the remaining members shall invite the ordinary general assembly to convene within sixty days to elect the necessary number of members.

Article 19: Board Authorities

Taking into account the competencies established for the General Assembly, the Board of Directors shall have the widest authorities in managing the company in order to achieve its objectives and conduct its affairs inside and outside the Kingdom. He has, for example but not limited to, the right to contract, commit, and engage in the name of the company and on its behalf, to enter into tenders, receive forms, do all work and actions, and sign all types of contracts, documents and documents, including without limitation contracts for the establishment of companies in which the company participates or under incorporation with all its amendments and annexes. Amendment decisions, either by entering and exiting partners, entering into existing companies, increasing or decreasing the capital, buying and selling shares and shares, paying the price, assigning shares and shares in the capital, accepting the assignment of shares, shares and capital, transferring shares, shares and bonds, modifying the company's management, appointing and dismissing managers, and amending the management clause of its purposes or any clause of the articles of incorporation, company registration, agency registration, trademark registration, attendance of general assemblies, opening and closing branches of the company, liquidating the company, converting the companies in which the company participates from a limited liability to a joint stock company, extracting commercial records, renewing and canceling them, extracting licenses, renewing and canceling them,



reviewing telecommunications companies and establishing phones fixed and mobile phones in the name of the company and review electricity company and municipalities, receiving amounts in cash or checks, signing agreements and instruments before notaries public and official bodies, as well as loan agreements, requesting bank loans that comply with Shariah provisions and controls, accepting their terms, conditions and prices, signing their contracts, forms, pledges and payment schedules, receiving and disposing of loans, requesting exemption from loans, closing and settling accounts, and disbursing checks, objection to and receipt of checks, updating data, subscribing to joint stock companies, receiving profits, opening investment portfolios with Sharia controls, editing, amending and canceling orders as well as guarantees and guarantees, issuing legal agencies on behalf of the company, buying and selling the movables and real estate, emptying and accepting it, receiving and paying the price and gift and accepting it, sorting, handing over the appraiser, receiving and amending checks. And updating and introducing them into the comprehensive system, waiving the lack of space, converting agricultural lands into residential, modifying the name of the owner and the register, modifying boundaries, heights, area, plot numbers, plans, instruments and their dates, the names of neighborhoods, issuing a replacement for lost bonds and mortgages, their release, receipt and infiltration. Renting, leasing, arresting, paying, reviewing all banks and banks approving signatures, opening accounts with legal controls, credits, withdrawals, deposits, transfers from accounts with banks, issuing bank guarantees, signing all papers, documents and checks, extracting, receiving and editing checkbooks, issuing and receiving bank checks, receiving and disbursing remittances and all banking transactions. The Board also appoints employees and workers, dismisses them, requests visas, recruits manpower from outside the Kingdom, contracts with them, determines their salaries, extracts residencies, transfers and waives guarantees, amends professions, reports labor escape, obtains and renews work permits, ends employment procedures with social insurance, opens and renews basic and subsidiary files, and cancels them, and receives and delivers. The board of directors may also sell the company's real estate and contract loans with funds and government financing institutions and commercial loans in a way that achieves the interest of the company. The board of directors of the company, in the cases it determines, shall have the right to discharge the company's debtors from their obligations in accordance with what achieves its interest. The Board of Directors may



issue instruments that are compatible with the provisions of Islamic Sharia, whether in part or several parts, through a single issuance or a series of issues from time to time at times and in the amounts and conditions decided by the Board of Directors after approval of the general assembly of shareholders in this regard, provided that the value of the instruments does not exceed the capital. Company. The board of directors has full powers to take all necessary measures to issue the instruments and obtain the necessary approvals from the competent authorities. The board may also, within the limits of its competence, delegate one or more of its members or third parties to carry out certain work or businesses.

Article 20: Board Member Remuneration

The remuneration of the Board of Directors consists of the percentage stipulated in Article (5/44) of this system and within the limits of what is stipulated in the Companies Law and its Bylaws, and the Board of Directors' report to the Ordinary General Assembly must include a comprehensive statement of all what Board members obtained during the year financial rewards, expense allowances and other benefits, and it should also include a statement of what the members of the council received in their capacity as workers or administrators, or what they received in return for technical or administrative work or consultancy, and it should also include a statement of the number of council sessions and the number of sessions attended by each member from another date General Assembly meeting.

Article 21: The Authority of Chairman, Vice Chairman, Managing Director, and Board Secretariat

The Board of Directors appoints from among its members a Chairman and a Vice Chairman and may appoint a Managing Director. It is not permissible to combine the position of Chairman of the Board of Directors with any other executive position in the company.

The Chairman of the Board is responsible for representing the company and managing its affairs inside and outside the Kingdom in its relations with others, before all governmental and private agencies, ministries, and before all courts, including Sharia and administrative courts, judicial bodies, the Board of Grievances, execution courts,



notaries, labor offices, workers, higher and primary labor bodies and committees, and committees for the resolution of financial disputes. Settlement of banking disputes, at offices for adjudication of commercial paper disputes, committees for settling commercial disputes, customs committees, commercial fraud, public prosecution, all other judicial committees, arbitration bodies, civil rights, police stations, regional emirates, the divisions for the implementation of human rights judgments, passports and traffic, all security agencies, chambers of commerce and industry, private bodies, companies and institutions He has the right to acknowledge, deny, demand, file lawsuits, litigation, plead, hear and respond to lawsuits, release, comment, waive, conciliate, discharge, accept and deny judgments, object to judgments, request their appeal, request oath, reject and refrain from it, arbitration on behalf of the company, and request execution Judgments, opposition, arrest of what happens from execution, bring witnesses and evidence, challenge them, answer, wound, amendment, appeal for forgery, deny lines, seals and signatures, request travel bans and raise them, request seizure and implementation, request arbitration, appoint experts and arbitrators, challenge reports of experts and arbitrators, return and replace them, and request the application of Article 230 of the pleading system. Legitimacy, a petition for reconsideration, a request for rehabilitation, a request for pre-emption, an end to what is required to attend the hearings in all cases, receive the judgment papers, request the judge's resignation, and request insertion and interference.

He also has the right to contract, commit and be associated with the company's name and on behalf of the company, enter tenders, receive forms, carry out all acts and actions, and sign all types of contracts, documents and documents, including but not limited to the articles of incorporation of companies in which the company participates or under incorporation with all its amendments, appendices and amendment decisions, either by entering Exiting partners and entering into existing companies, increasing or decreasing the capital, buying and selling shares and shares, paying the price, assigning shares and shares in the capital, accepting assignment of shares, shares and capital, transferring shares, shares and bonds, modifying the company's management, appointing and dismissing managers, modifying the management clause or its purposes, or Any clause of the articles of incorporation, company registration, agency registration, trademarks, attending general assemblies, opening and closing branches of the company, liquidating



the company, converting the companies in which the company participates from a limited liability company to a joint stock company, extracting and renewing commercial telephone records, and canceling and renewing their licenses and reviewing electrical companies, municipalities, receiving amounts in cash or checks, signing agreements and instruments before notaries public and official bodies, as well as loan agreements, requesting bank loans that comply with Shariah provisions and controls, accepting their terms, conditions and prices, signing their contracts, forms, pledges and payment schedules, receiving and disposing of loans, requesting exemption from loans, closing and settling accounts, and disbursing Checks, objection to and receipt of checks, updating data, subscribing to joint stock companies, receiving profits, opening investment portfolios with Sharia controls, editing, amending and canceling orders as well as guarantees and guarantees, issuing legal agencies on behalf of the company, buying and selling movables and real estate, emptying and accepting, receiving and paying the price and donation, acceptance, sorting, delivery of the appraiser, receiving, amending and updating checks And entering them into the comprehensive system, waiving the shortage of space, converting agricultural lands to residential, amending the owner's name and record, amending borders, lengths, area, plot numbers, plans, deeds and their dates, neighborhood names, issuing a replacement for lost instruments and mortgages, dismantling them, receiving, handing over and receiving. Renting, leasing, receiving and paying, reviewing all banks and approving signatures, opening accounts with legal controls, credits, withdrawals, deposits, transfers from accounts with banks, issuing bank guarantees, signing all papers, documents and checks, extracting checkbooks, receiving and editing them, issuing and receiving bank checks, receiving and disbursing remittances and all banking transactions.

He may assign or delegate on his behalf, within the limits of his competencies, one or more members of the Board or a third party to take a specific action or behavior or to perform a specific act or actions.

The Vice Chairman of the Board of Directors replaces the Chairman of the Board of Directors in his absence and with the same powers as the Chairman.

The board of directors appoints a board secretariat to be chosen by it from among its members or from others, and he is responsible for recording the minutes of the board of directors' meetings, recording the decisions issued by these meetings and keeping them,



in addition to exercising other powers entrusted to him by the board of directors. The administration is for the term of their membership in the council, and they may be re-elected and the council may dismiss them or any of them at any time without prejudice to the dismissed person's right to compensation if the dismissal occurred for an unlawful reason or at an inappropriate time.

Article 22: Board Meetings

The board of directors meets at least twice a year at the invitation of its chairman. The invitation is in writing and may be delivered by hand or sent by e-mail or fax. The chairman of the board must invite the board to a meeting whenever requested by two of the members.

Article 23: Quorum of the Board Meeting:

The meeting of the Board shall not be valid unless attended by at least five (5) members. A member of the Board of Directors may delegate other members to attend the Board's meetings on his behalf in accordance with the following rules:

- 1- A member of the board of directors may not represent more than one member in attending the same meeting.
- 2- The delegation must be proven in writing and in connection with a specific meeting.
- 3- The representative may not vote on decisions that the system prohibits the representative from voting on.

The decisions of the council are issued by a majority of the opinions of the members present or represented in it (and in the event of equal votes, the side with which the chairperson voted shall prevail).

The Board of Directors may issue decisions in urgent matters by presenting them to all members separately unless one of the member's requests - in writing - a meeting of the Board to deliberate thereon, and these decisions are presented to the Board in its first following meeting.



Article 24: Board Deliberations:

The deliberations and decisions of the Board of Directors shall be recorded in minutes signed by the Chairman of the Board, all members of the Board of Directors present and the Board Secretariat. These minutes shall be recorded in a special register signed by the Chairman of the Board of Directors and the Secretariat. The attendance of the members of the council shall be evidenced by a statement signed by the attendees and the Secretariat.

Chapter (4)
Shareholders Assembly

Article 25: Assembly attending

Each shareholder has the right to attend the general assemblies of shareholders, and for this he may delegate another person other than the members of the board of directors or the company's employees to attend the general assembly.

Article 26: Ordinary General Assembly Functions

With the exception of matters pertaining to the extraordinary general assembly, the ordinary general assembly shall have jurisdiction over all matters related to the company and stipulated in the companies' system and the corporate governance regulations, and it convenes at least once a year during the six months following the end of the company's fiscal year, and other ordinary general assemblies may be invited whenever needed till then.

Article 27: Extraordinary General Assembly Functions

The Extraordinary General Assembly is concerned with amending the company's articles of association, with the exception of matters that are prohibited from being amended by law, in addition to the matters stipulated in the Companies Law and the Corporate Governance Regulations, and it may issue decisions on matters originally within the competences of the Ordinary General Assembly, under the same terms and conditions prescribed for the Ordinary General Assembly.



Article 28: Invitation to Assemblies

The general or special assemblies of the shareholders are convened at the invitation of the board of directors, and the board of directors must invite the ordinary general assembly to convene if the auditor, the audit committee, or a number of shareholders representing at least (5%) of the capital so request. The auditor may invite the assembly to convene if the board does not invite the assembly within thirty days from the date of the auditor's request.

The invitation to convene the general assembly shall be published in a daily newspaper distributed in the company's head office at least ten (10) days before the date fixed for the meeting, and a copy of the invitation and the agenda shall be sent to the Ministry as well as the Capital Market Authority during the period specified for publication.

Article 29: Quorum of the Ordinary General Assembly Meeting

The holding of the ordinary general assembly meeting is not valid unless attended by shareholders representing at least a quarter of the capital, and if the quorum necessary for holding this meeting is not available, the second meeting shall be held within the thirty days following the previous meeting and the second meeting may take place an hour after the end of the period specified for the first meeting. Provided that the invitation to hold the first meeting includes an announcement of the possibility of holding this meeting within the specified period. In all cases, the second meeting shall be valid regardless of the number of shares represented therein.

Article 30: Quorum of the Extraordinary General Assembly Meeting

The meeting of the Extraordinary General Assembly shall not be valid unless attended by shareholders representing half of the capital. If this quorum is not available at the first meeting, the second meeting shall be held within the thirty days following the previous meeting, and the second meeting may be an hour after the end of the period specified for convening the first meeting, provided that The invitation to hold the first meeting includes announcing the possibility of holding this meeting in the specified period. In all cases, the second meeting shall be valid if attended by a number of shareholders representing at least a quarter of the capital. If the necessary quorum is not available at the second meeting, an invitation to a third meeting is sent. The meeting shall be held



according to the same conditions stipulated in Article (28) of this bylaw, and the third meeting shall be valid regardless of the number of shares represented in it after the approval of the competent authority.

Article 31: Voting in Assemblies

Each shareholder has a vote for each share in the general assemblies, and the cumulative vote must be used to elect the board of directors.

Article 32: Decisions of the Assemblies

The decisions of the Ordinary General Assembly are issued by an absolute majority of the shares represented at the meeting, and the decisions of the Extraordinary General Assembly are issued by a two-thirds majority of the shares represented at the meeting, unless it is a decision related to the increase or decrease of the capital, the extension of the company's term, its dissolution before the expiry of the period specified in its articles of association or its merger with another company, it is not valid unless it is issued by a majority of three quarters of the shares represented at the meeting.

Article 33: Discussion in the Assemblies

Each shareholder has the right to discuss the topics listed on the agenda of the assembly and to direct questions about them to the members of the board of directors and the auditor. Its decision in this regard is enforceable.

Article 34: Presiding the associations and preparing minutes

The meetings of the general assemblies of shareholders are chaired by the Chairman of the Board of Directors, and in his absence, a person delegated by the Board of Directors from among its members to do so. Minutes of the assembly meeting shall be drawn up including the number of shareholders present or represented, the number of shares they hold in person or by proxy, the number of votes assigned to them, the decisions taken, the number of votes that approved or disagreed with them, and an adequate summary of the discussions that took place at the meeting. Minutes are recorded regularly after each meeting in a special register signed by the association's president, secretary and vote collector.



Chapter (5)

Audit Committee

Article 35: Committee Forming

By a decision of the Ordinary General Assembly, an audit committee shall be formed consisting of (not less than three and not more than five) members who are not members of the executive board of directors, whether from shareholders or others.

Article 36: Quorum of the committee meeting

For the audit committee meeting to be valid, the majority of its members must attend, and its decisions are issued by the majority of the votes of those present. The committee meets periodically at least four times during the company's financial year.

The committee may issue decisions in urgent matters by presenting them to the members separately unless one of the member requests - in writing - the meeting of the committee to deliberate thereon, and these decisions are presented to the committee in the first following meeting.

Article 37: The Committee Functions:

The Audit Committee is responsible for monitoring the company's business, and for this purpose it has the right to review its records and documents and request any clarification or statement from the members of the Board of Directors or the executive management, and it may request the Board of Directors to invite the company's general assembly to convene if the Board of Directors impedes its work or the company is exposed for serious damage or loss.

Article 38: The Committee Reports:

The Audit Committee shall consider the company's financial statements, reports and notes submitted by the auditor, and express

It shall also prepare a report on its opinion regarding the adequacy of the internal control system in the company and the other work it has carried out within the scope of its competence. The board of directors shall deposit sufficient copies of this report at the



company's head office at least ten (10) days before the date of the general assembly meeting to provide each shareholder who wishes with a copy of it, and the report shall be read during the assembly.

Article 39: Executives Committee:

The Board of Directors may form from among its members or from others specialized committees, and the Board of Directors determines their tasks, method of work, terms of reference and remuneration in accordance with the controls and conditions of the Companies Law and the Corporate Governance Regulations.

Chapter (6)
Accounts auditors

Article 40: Appointment of the auditor:

The company must have one or more auditors from among the auditors licensed to work in the Kingdom to be appointed annually by the Ordinary General Assembly and to determine his remuneration and the duration of his work. The Assembly may also change him at any time without prejudice to his right to compensation if the change occurred at an inappropriate time or for an unfavorable legally reason.

Article 41: Auditor Authorities:

The auditor at any time has the right to review the company's books, records and other documents. He may also request data and clarifications that he deems necessary to obtain, in order to verify the company's assets, obligations and other matters that fall within the scope of his work. The Chairman of the Board of Directors shall enable him to perform his duty, and if the auditor encountered difficulty in this regard. He proves this in a report submitted to the board of directors. If the board does not facilitate the work of the auditor, he must ask the board of directors to invite the ordinary general assembly to look into the matter.

The auditor shall submit to the annual ordinary general assembly a report prepared in accordance with the generally accepted auditing standards, which is guaranteed by the



company's management position regarding enabling him to obtain the data and clarifications he requested

Chapter (7)

Company accounts and dividend distribution

Article 42: Fiscal Year

The first fiscal year of the company begins after the conversion from the date of the ministerial decision issued to announce the conversion of the company and ends on 11/19/1425 AH corresponding to 12/31/2004 AD. Each subsequent fiscal year will be twelve Gregorian months.

Article 43: Financial Documents:

- 1- At the end of each financial year of the company, the board of directors must prepare the company's financial statements and a report on its activity and financial position for the past financial year. This report includes the proposed method for distributing profits. The board puts these documents at the auditor's disposal forty-five days before the date set for convening the general assembly at least.
- 2- The company's board of directors, chief executive officer and financial manager must sign the documents referred to in paragraph (1) of this article, and copies of them shall be deposited at the company's head office at the shareholders' disposal at least ten days before the date set for holding the general assembly.
- 3- The Chairman of the Board of Directors shall publish in a daily newspaper distributed in the head office of the company the financial statements of the company and a report

The Board of Directors and the auditor's report and to send a copy of these documents to the Ministry as well as to the Capital Market Authority, at least fifteen (15) days before the meeting of the General Assembly.



Article 44: Dividend distribution

The company's annual net profits are distributed as follows:

1. (10%) of the net profits shall be set aside to form the statutory reserve of the company, and the Ordinary General Assembly may decide to discontinue this deduction when the said reserve reaches (30%) of the paid-up capital.
2. The Extraordinary General Assembly, based on the proposal of the Board of Directors, may set aside (10%) of the net profits to form an agreement reserve.
3. The Ordinary General Assembly, based on a proposal by the Board of Directors, may decide to spend the consensual reserve for the benefit of the company or shareholders.
4. The Ordinary General Assembly may decide to form other reserves, to the extent that achieves the interest of the company or ensures the distribution of fixed profits as much as possible to the shareholders. The said assembly may also deduct sums from the net profits for the establishment of social institutions for the company's employees or to assist the existing of these institutions.
5. After that, a percentage representing (5%) of the paid-up capital shall be distributed to the shareholders.
6. Taking into consideration the provisions stipulated in Article (Twenty) of this Bylaw and Article (Seventy-sixth) of the Companies Law, after the above, 10% of the remainder shall be allocated to the Board of Directors' remuneration, provided that the entitlement to this remuneration is proportional to the number of sessions attended by the member.
7. The remainder is then distributed to the shareholders as an additional share in the profits, or it is carried over to the coming years as approved by the General Assembly.
8. The statutory reserve is used to cover the company's losses or to increase the capital on shareholders in the years that follow the company achieves a net profit sufficient to distribute the prescribed share to them.
- 9.

Article 45: Dividend Entitlement

The shareholder is entitled to his share in the profits in accordance with the decision of the General Assembly issued in this regard. The decision indicates the due date and the



date of distribution. The eligibility of profits is to the owners of shares registered in the shareholders' records at the end of the day specified for entitlement. The General Assembly may decide to distribute interim dividends to shareholders on a semi-annual or quarterly basis. In accordance with the provisions of Article (39) of the regulatory controls and procedures issued in implementation of the Companies Law for Joint Stock Companies issued by the Capital Market Authority, provided that the Assembly authorizes the Board of Directors to do so and it is renewed annually.

Article 46: Dividend distribution for preferred shares

- 1- If profits have not been distributed for any financial year, it is not permissible to distribute profits for the following years except after paying the specified percentage in accordance with the provisions of Article (one hundred fourteen) of the Companies Law for owners of preference shares for that year.
- 2- If the company fails to pay the specified percentage in accordance with the provisions of Article (114) of the profits for a period of three consecutive years, the special assembly of the owners of these shares held in accordance with the provisions of Article (89) of the Companies Law may decide either that they attend meetings The company's general assembly and participation in voting or appointing their representatives to the board of directors in proportion to the value of their shares in the capital, until the company is able to pay all the priority dividends allocated to the owners of these shares for the previous years.

Article 47: Company losses

- 1- If the company's losses amount to half of the paid-up capital at any time during the fiscal year, any official in the company or the auditor, as soon as he becomes aware of this, inform the chairman of the board of directors, and the chairman of the board of directors must inform the members of the board immediately, and the board of directors must, within fifteen days of becoming aware of this, invite the extraordinary general assembly to meet within forty-five days from the date of his knowledge of the losses to decide whether to increase the capital The company's money or its reduction in accordance with the provisions of the Companies Law to the extent that the percentage of losses decreases to less than half of the paid-up



capital, or the company may be dissolved before the period specified in this Companies Law.

- 2- The company shall be considered dissolved by the force of the Companies Law if the General Assembly did not meet within the period specified in Paragraph 1 of this Article, or if it met and was unable to issue a decision on the matter, or if it decided to increase the capital in accordance with the conditions established in this Article and the subscription in the Each capital increase within ninety days from the issuance of the Assembly's decision to increase

Chapter (8)

Disputes

Article 48: Liability claim

Every shareholder has the right to file a liability lawsuit for the company against the members of the board of directors if the mistake they made would cause his own harm. The shareholder may not file the aforementioned lawsuit unless the company's right to file it still exists, and the shareholder must inform the company of his intention to file a lawsuit.

Chapter (9)

Dissolution and liquidation of the company

Article 49: Termination of the Company:

Upon completion, the company enters the stage of liquidation and retains the legal personality to the extent necessary for liquidation, and a decision is issued voluntary liquidation by the extraordinary general assembly, and the liquidation decision must include the appointment of the liquidator, the determination of his powers, his fees, the restrictions imposed on his powers and the period of time required for the liquidation. Nevertheless, they remain in charge of managing the company and are considered as liquidators in relation to others until the liquidator is appointed, and shareholders' associations remain in place during the liquidation period, and their role is limited to exercising their competencies that do not conflict with those of the liquidator.



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Chapter (10)

Final provisions

Article 50

The Companies Law and the Corporate Governance Regulations and Regulations shall be applied in everything that is not provided for in this Articles of Association.

Article 51

This system shall be deposited and published in accordance with the provisions of the Companies Law and Regulations