

Articles of Association
Chapter one

Article No. 1: Incorporation:

A Saudi joint stock company was incorporated in accordance with the provisions of the Companies Law, its bylaws, and this Articles of Association in accordance with the following:

Article No. 2: Name of the company

Saudi Cable Company (Joint Stock Company)

Article No. 3: activities of the company

Activity No.	Name of Activity
273201	Manufacture of insulated steel wires and cables
273202	Manufacture of insulated copper wires and cables
273203	Manufacture of insulated aluminum wires and cables
162331	Manufacture of cable reels from wood
259921	Manufacture of cables and taps from iron
259922	Manufacture of cables and tapes from cooper
259923	Manufacture of cables and tapes from aluminum
259929	Manufacture of other metal cables and tapes
273100	Manufacture of optical fiber cable
273371	Manufacture of electrical connections and extension channels of metal wires
273372	Manufacture of electrical connections and extension channels of plastics
273373	Manufacture of electrical connections and wire extension channels from other materials
273379	Manufacture of other electrical connections

201310	Manufacture of plastic (plastics) in its primary forms
241040	Manufacture of sheets, plates, tape rolls, rods, skewers, angles, wires and sections of all forms
242041	Smelting, rolling, drawing, refining and casting of copper and its alloys
242042	Smelting, rolling, drawing, refining and casting of aluminum and its alloys
242060	Ordinary non-ferrous metal articles, including (wires, pipes, tubes, powders, sheets)
273310	Manufacture of metallic electrical conductive tapes
279002	Manufacture of electrical parts, connections and accessories not classified elsewhere
282482	Manufacture of bars used in construction or mining operations
201360	Manufacture of Polyethylene
222020	Manufacture of plastic pipes, hoses and tubes, their connections and accessories
241030	Manufacture of iron or steel products, etc., by drawing, extruding or rolling
241050	Manufacture of pipes, tubes and hollowed shapes of iron and steel
243111	Casting of iron and steel (finished products)
243112	Casting of iron and steel (semi-finished products)

243211	Casting of non-ferrous metals (finished products) includes (aluminum, zinc, etc.)
243212	Casting of non-ferrous metals (semi-finished products) includes (aluminum, zinc, etc.)
251114	Manufacture of lightweight steel structures
251115	Manufacture of prefabricated steel structures modules
251141	Manufacturing and shaping reinforcing steel bars
251142	Manufacturing and shaping of reinforcing steel networks
332011	Installation of industrial devices in industrial facilities
332013	Complete dismantling of large machinery and equipment
432122	Installation and extension of computer networks and communications
432111	Extension of electrical wires
432112	Extension of communication wires
432113	Network extensions
477325	Sale of electrical and communication cables
475250	Retail sale of electrical tools and extensions
465940	Wholesale of wires, switches and other used wiring equipment
465950	Wholesale of generators and transformers
477395	Sale and installation of machinery and factory equipment
461030	Export and import activities
466940	Wholesale of primary plastics, rubber and synthetic fibers
475282	Retail sale of building materials scrap (including scrap iron trade)
464991	Wholesale of wood, cork and plastic products
475924	Retail sale of wood, cork and plastic products
465940	Wholesale of wires, switches and other used wiring equipment
681010	Buying and selling lands and real estate, dividing them, and off-plan sales activities
854954	Training centers
351013	Distribution and retail sale of electric power
351014	Power distribution and wholesale thereof
072901	Mining of non-ferrous metal ores, including (aluminium, copper and lead)

Article No. 4: Participation and ownership in companies

The company may establish companies on its own (limited liability or closed joint stock) provided that the capital is not less than SAR 5 million. The company may also own shares and stocks in other existing companies, or merge with, or buy shares, and the company shall be entitled to participate with others in establishing joint-stock companies or limited liability companies, after fulfilling the requirements of the laws and instructions followed in this regard. The company may also dispose of these shares or stocks, provided that this does not include mediation in their trading.

Article 5: The head office of the company:

The company's head office is located in the city of Jeddah in the Kingdom of Saudi Arabia. The company may, by a resolution of the extraordinary general assembly of shareholders, move the head office to any other city within the Kingdom of Saudi Arabia. The Board of Directors may establish branches, offices and power of attorney inside and outside KSA.

Article No. 6: Duration of the Company:

The duration of the company is fifty years, starting from the date of its registration in the commercial register. This term may always be extended by a resolution issued by the extraordinary general assembly of shareholders at least five years before the expiry of its duration. It was approved by the Extraordinary General Assembly held on 15/12/2019 to extend the duration of the company for a similar period starting from 30/10/2024.

Chapter two **Capital and shares**

Article No. 7: Capital

The company's capital was determined (SAR 66,729,060) sixty-six million, seven hundred and twenty nine thousand and sixty riyals, divided into (6,672,906) six million, six hundred and seventy-two thousand, nine hundred and six nominal shares of equal value, the value of each share is SAR (10) ten.

Article No. 8: Subscription to shares

Shareholders subscribed to the entire shares of the company amounting to (6,672,906) six million six hundred and seventy-two thousand nine hundred and six fully paid shares, and the company's capital was already paid upon incorporation.

Article No. 9: preference shares

The company may, by virtue of a resolution of the extraordinary general assembly, in accordance with the principles laid down by the competent authority, issue preference shares or decide to purchase them, convert ordinary shares into preference shares, convert preference shares into ordinary shares, or purchase ordinary shares. Preference shares do not give the right to vote in the general assemblies of shareholders. These preference shares give their holders the right to obtain a larger percentage than the holders of ordinary shares of the net profits of the company after setting aside the statutory reserve in accordance with the provisions of Islamic Sharia. The board of directors shall be entitled, after the approval of the extraordinary general assembly, to sell the shares of the public treasury to the shareholders registered in the company from the time of issuance of the assembly's resolution- in return for a cash consideration, provided that the priority in purchasing is in proportion to the shares they own of the company's total paid-up capital, within the period specified in the resolution of the board of directors or distribution to shareholders as part of the annual profits.

Article No. 10: Issuance of shares

Shares are nominal and may not be issued for less than their nominal value. However, it may be issued at a value higher than this value. In this latter case, the value difference is added in a separate item within the shareholders' equity, it may not be distributed as dividends to shareholders and the share is indivisible against the company, so if the share is owned by several people, they shall choose one of them to act on their behalf in using the rights related thereto. These persons shall be jointly liable for the obligations arising from share ownership.

Article No. 11: Circulation of shares

The shares in which the founders of the company subscribed at the time of its incorporation may not be circulated until after the publication of the financial statements for a minimum of two fiscal years, each of which shall not be less than twelve months from the date of their registration in the commercial register. The instruments of these shares are notated their type, the date of incorporation of the company and the duration for which it is prohibited to circulation.

However, during the prohibition period, ownership of shares may be transferred in accordance with the provisions of selling rights from one shareholder to another shareholder, or from the heirs of a shareholder in the event of his death to third parties, or in the event of enforcement on the funds of an insolvent or bankrupt shareholder, provided that the priority of owning those shares is given to other shareholders.

The provisions of this article apply to shareholders' subscriptions in case of capital increase before the expiry of the prohibition period.

Article No. 12: Shareholder register

Circulation in the company's shares takes place in accordance with the provisions of the financial market law.

Article No. 13: Capital increase

1- The Extraordinary General Assembly may decide to increase the company's capital, provided that the capital was paid in full. It is not required that the capital be fully paid if the unpaid part of the capital belongs to shares issued against the transfer of debt instruments or financing instruments to Shares and the period prescribed for transferring them to shares has not expired.

2- The extraordinary general assembly may, in all cases, allocate the shares issued upon capital increase or part thereof to the employees of the company and all or certain of its subsidiaries, or any of that. Shareholders may not exercise the priority right when the company issues shares allocated to employees.

3- The shareholder who owns the share at the time of issuing the resolution of the extraordinary general assembly approving the capital increase has priority in subscribing to new shares that are issued in exchange for cash shares. They shall be notified of their priority by publishing in a daily newspaper or by informing them by registered mail of the decision to increase the capital, the conditions of subscription, its duration, and its start and end dates.

4- The Extraordinary General Assembly shall be entitled to suspend the priority right of shareholders to subscribe to the capital increase in exchange for cash shares, or to give priority to non-shareholders in cases it deems appropriate for the interest of the company.

5- The shareholder shall be entitled to sell or waive the priority right during the period from the time the General Assembly's resolution is issued approving the capital increase until the last day to subscribe to the new shares associated with these rights in accordance with the controls set by the competent authority.

6- Subject to the provisions of Paragraph (4) above, the new shares shall be distributed among the priority rights holders who have requested subscription, in proportion to the priority rights they own out of the total priority rights resulting from the capital increase, provided that what they obtain does not exceed the number of shares they requested. The new shares, and the remainder of the new shares shall be distributed among the holders of priority rights who have requested more than their share, in proportion to what they own of priority rights out of the total priority rights resulting from the capital increase, provided that what they get does not exceed what they asked

for in terms of new shares, and the remaining shares are offered to third parties, unless otherwise decided by the Extraordinary General Assembly or the Financial Market Regulations.

Article No. 14: Capital reduction

1- The extraordinary general assembly may decide to reduce the capital if it exceeds the company's need or if it incurs losses. In the event that the company incurs losses, it is permissible to reduce the capital to less than the limit stipulated in Article (54) 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, on the liabilities of the company, and on the impact of the reduction on these liabilities.

2- If the capital reduction is a result of its excess than the company's need, the creditors shall be invited to express their objections to it within (60) sixty days from the date of publication of the reduction decision in a daily newspaper distributed in the area where the company's head office is located. In the event that one of the creditors objects and submits to the company his documents within the aforementioned date, the company shall pay its debt if it is due or provide it with sufficient security to fulfil it later.

Chapter three

Board of directors

Article No. 15: management of the company

The company is managed by a board of directors consisting of 9 members elected by the Ordinary General Assembly for a period not exceeding three years.

Article No. 16: Termination of membership of the Board of Directors

Membership of the Board ends with the expiration of its term or with the expiration of the member's validity in accordance with any law or instructions applicable in KSA. However, the Ordinary General Assembly may at any time dismiss all or certain of the members of the Board of Directors, without prejudice to the right of the dismissed director towards the company to claim compensation if the dismissal occurred for an unacceptable reason or at an inappropriate time. A director of the Board of Directors may retire, provided that this is at an appropriate time, otherwise he will be liable to the company for the damages resulting from his retirement.

Article No. 17: The vacant position on the Board of Directors

If the position of one of the members of the Board of Directors becomes vacant, the Board may appoint a temporary director in the vacant position, provided that he is one of those who have experience and sufficiency. The Ministry and the Capital Market Authority shall be notified of that within five working days from the date of appointment. The appointment should be presented to the Ordinary General Assembly at its first meeting. The new director completes the term of his predecessor. If the necessary conditions for the meeting of the Board of Directors are not met due to the number of its members exceeding the minimum stipulated in the Companies Law or this Law, the rest of the directors shall invite the Ordinary General Assembly to convene within sixty days to elect the necessary number of directors.

Article No. 18: The authority of the board of directors

1- Subject to competencies prescribed in the General Assembly, the Board of Directors shall have the widest powers in managing the company in a way that achieves its purpose. In this regard, the board of directors has the right to manage and supervise all the company's business, funds and all other transactions, including making decisions, concluding contracts, and carrying out all other actions necessary to achieve the objectives of the company. In order to carry out its duties, the Board may exercise all competencies and carry out all actions that the company may practice in accordance with its Articles of Association, provided that these actions are not within the competence of the General Assembly of Shareholders in accordance with this Articles of Association and the Companies Law applicable in KSA. The Board of Directors has the power to contract loans for any period, including loans that exceed three years, to request and open credits, request and obtain banking facilities, to buy, sell and mortgage the real estate and movables of the company, to demand, sue and collect the company's dues, to reconcile and accept arbitration, and to absolve the debtors of the company from their obligations.

b- The Board of Directors, within the limits of its competence, may authorize one or more of its members or third parties to undertake a specific business or actions.

Article No. 19: Board members remuneration:

1- The annual remuneration for the members of the Board of Directors for the services they perform shall be determined in accordance with the provisions of Article (43/5) of this Articles of Association, and each member may, in addition to that, receive fees for attending the meetings of the Board of Directors, with a maximum amount of (6000) SAR six thousand for each meeting.

2- The annual report of the Board of Directors to the Ordinary General Assembly of Shareholders shall include a comprehensive statement of all that the members of the Board of Directors received during the fiscal year in terms of bonuses, salaries, profit share, attendance allowance, expenses and other benefits. The aforementioned report also includes a statement of what the members of the Board of Directors have received in their capacity as employees or administrators of the company, or what they have received in return for technical, administrative or consulting work.

Article No. 20: Powers of the Chairman, Deputy, Managing Director and Secretary:

The Board of Directors shall appoint a Chairman and Deputy from among its members, and may appoint a Managing Director. The position of Chairman of the Board of Directors shall not be combined with any executive position of the Company.

1- The Chairman of the Board of Directors shall have the authority to call the Board to a meeting and preside over the meetings of the Board of Directors, and the meetings of the ordinary and extraordinary general assembly of shareholders, and he shall have all the necessary powers to manage the company, manage its affairs and achieve its objectives. He shall be entitled to appoint and dismiss employees and workers, determine their salaries and bonuses, to enter into companies and sign their articles of association and addendum of all kinds, whether by increasing or decreasing the capital, to modify the objectives, exit a partner, or amend any of the articles of association or waive, accept or delete commercial register. To appoint and dismiss of its directors. He shall be entitled to sign all agreements, contracts, tenders, bids, requests, proposals, decisions, minutes, commercial registers, licenses, bank accounts, etc. and to register all contracts and instruments, document them and publish them with all competent authorities. He shall be entitled to open credit and debit bank accounts, close, settle, withdraw from them, deposit in them, request and sign, open credits, sign and obtain facilities and loans from all banks inside and outside KSA, sign all relevant documents, register trademarks and patents, and bring and grant commercial

agencies. He shall be entitled to sign loans from the Saudi Industrial Development Fund on behalf of the company, its annexes, and all related documents and contracts. He shall be entitled to sign the follow-up agreement and provide technical advice, as well as sign bonds for the fund's order, to receive loan payments from the fund, to sign mortgages, deeds of sale and purchase of land, buildings, shares, transfer them at the notary, acknowledge receipt of the price, forfeit the rights of the company, accept and sell the option, barter, allowance, preemption, division and sorting. He shall be entitled to lease, hire, pay and receive the fare, to request the signing of attachments on debtors, cancel them, prevent them from traveling, claim all money and rights due to the company with others and collect them, receive cheques and cash amounts, to sign receipt, sign clearances, receipts, bills of exchange, bonds, cheques and all commercial papers. He shall be entitled to collect, pay, endorse, discharge and accept shares and shares of various companies, real estate and lands, to submit guarantees and warranties, accept and request them, receive and pay, dispute, plead, defend, request and accept arbitration, appoint arbitrators, return them and experts, dismiss them, represent the company and sign in its name and on its behalf before notaries, all official agencies, government departments and ministries, to represent the company in lawsuits filed from or against the company, to submit claims, hear evidence, accept and reverse them. To attend the investigation and notification, and to attend the sessions of all Sharia courts, the Board of Grievances, all judicial and administrative bodies of their various degrees and names, committees for settling bank disputes, labor offices, labor offices, and committees for settling labor disputes of all degrees, and proving every right of the company and expressing statements and observations, and submitting and accepting memorandums, litigation and refusal, and to request the complementary oath or decisive, its response or acceptance, conciliation, recognition, denial, rescission, appeal for forgery, acceptance of judgments and decisions, objection to them, appeal and cassation, request reconsideration and request their implementation, and to deliver and receive all papers, transactions, judgments, decisions, instruments, all documents and certificates of registration in the commercial register, and sign everything necessary in the name and on behalf of the company. He shall be entitled to appoint agents, lawyers, and commentators and grant them the necessary powers to review, plead, and defend the company before all types of courts, committees, and all parties, dismiss them, and determine their salaries and rewards. He shall be entitled to authorize the managing director, the secretary, or any person or persons from the company or third parties in all or certain of what was mentioned by virtue of written authorizations or legal power of attorney. He shall be entitled to revoke the said authorization or power of attorney at his discretion. The Chairman shall also perform any other duties entrusted to him by the Board of Directors or stipulated in this Articles of Association. The Chairman shall be entitled to exercise all these powers inside and outside the Kingdom of Saudi Arabia.

2- The Managing Director shall be responsible to the Board of Directors and shall have the following powers and authorities:

3- The Managing Director shall direct, implement and supervise the Company's daily business requirements, while adhering to the provisions of this by-laws and the Companies Law, and any other duties that may be assigned thereto, including the right to clear the Company's property at customs, receive property, submit and sign applications and related data, receive parcels, submit, review and receive building permit applications, appoint employees, workers, and commentators according to the company's policy, and carry out the Company's transactions with government and private departments, including civil rights departments, and the police, and passport department, recruitment offices, foreign affairs, labor and employment bodies, social insurance authority, prisons, chambers of commerce, pay the company's debts, receive its dues, and has the right to

delegate to others all or some of its powers under written authorizations, or legitimate instruments and powers of attorney.

4- The Board of Directors shall determine the special remuneration received by the Chairman and the Managing Director in addition to the remuneration prescribed for each member of the Board of Directors in accordance with Article (19) of these Articles of Association.

5- The Board shall appoint a secretary chosen from among its members or others and shall determine its powers, remuneration and working conditions. Provided that the powers of the Secretary shall include editing the facts and decisions of the Board of Directors in minutes and recording them in a special register prepared for this purpose. The Secretary shall keep the aforementioned register.

6- The term of the Chairman and Vice Chairman of the Board of Directors, the Managing Director, the Secretary and a member of the Board of Directors shall not exceed the term of office of the Board member and may be re-elected at all times.

Article No. 21: Meeting of Board of Directors

The Board of Directors shall meet at least twice a year and shall meet whenever the interest of the Company so requires. The Board shall meet at the invitation of the Chairman, and the invitation shall be accompanied by the agenda of the meeting, the Chairman of the Board shall invite the members of Board to meet whenever requested in writing by two members of the Board of Directors, and the invitation to the meetings shall be delivered by hand or sent to each member by registered mail, telegram, telex, fax or e-mail at least two weeks before the date of the meeting unless the Board of Directors decides otherwise, and the Board shall hold its meetings at the company's head office unless the Board of Directors decides otherwise.

Article No. 22: A Quorum for Meeting of Board

1- The meeting of the Board of Directors shall not be valid unless attended by at least five members in person or by proxy, provided that the number of attendees shall be at least four members. A member of the Board of Directors may appoint another member to attend and vote on his behalf at the meeting of the Board, and all powers of attorney shall be in writing.

2- The decisions of the Board shall be issued by a majority of the opinions of the members present or represented therein, and in the event of equality, the vote of the Chairman shall prevail. The Board of Directors may issue decisions by passing them to the members separately, unless one of the members requests in writing to hold a meeting of the Board to deliberate thereon. Such decisions shall be presented to the Board at the first meeting following the date of issuance of the decisions by passing them to the members.

Article No. 23: Deliberations of the Board

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

Chapter Four **Shareholders' assemblies**

Article No. 24: Attendance to the Assemblies

Every shareholder, regardless of the number of his shares, is entitled to attend the general assemblies of shareholders, and he may appoint another person other than the members of the board of directors or employees of the company to attend the general assembly.

Article No. 25: Powers of the Ordinary General Assembly

Except for matters that belong to the Extraordinary General Assembly, the Ordinary General Assembly shall be concerned with all matters related to the Company and shall be convened 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 convened whenever the need arises.

Article No. 26: Powers of the Extraordinary General Assembly

The Extraordinary General Assembly of Shareholders shall amend the Company's Articles of Association with the exception of matters prohibited from amending them by law, and may issue resolutions on matters originally within the competences of the Ordinary General Assembly under the same terms and conditions prescribed for the Ordinary General Assembly.

Article No. 27: Convention of Assemblies

The general or special assemblies of shareholders shall be convened by invitation of the Board of Directors. The Board of Directors shall convene the ordinary general assembly if requested by the auditor, the audit committee or a number of shareholders representing at least (5%) of the capital. The auditor may convene the assembly if the board does not convene 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 area where the company's head office is located at least (21) days before the date specified for the meeting, however, it may be sufficient to send the invitation on the aforementioned date to all shareholders by registered letters, and a copy of the invitation and the agenda shall be sent to the Ministry and the Capital Market Authority within the period specified for publication.

Article No. 28: Attendance Record of Assemblies

Shareholders who wish to attend the General or Special Assembly shall record their names at the Company's head office before the time specified for the General Assembly or through the means specified by the Company in the invitation or on its website.

Article No. 29: Quorum for the Ordinary General Assembly Meeting

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

Article No. 30: Quorum for the Extraordinary General Assembly Meeting

The holding of the ordinary general assembly meeting shall not be valid unless attended by shareholders representing at least half of the capital, and if the quorum is not available to hold this first meeting, the second meeting shall be held an hour after the end of the period specified for the

first meeting, provided that the invitation to hold the first meeting includes a declaration of the possibility of holding this meeting. In all cases, the second meeting shall be valid if attended by a number of shareholders representing at least one quarter of the capital.

If the necessary quorum is not available in the second meeting, an invitation shall be sent to a third meeting in accordance with the provisions of Article (27) of these by-laws, and the third meeting shall be valid regardless of the number of shares represented therein after the approval of the competent authority.

Article No. 31: Voting in Assemblies

Each shareholder has a vote for each share in the general assemblies and the cumulative vote shall be used in the election of the members of the Board of Directors, however, the members of the Board of Directors may not participate in voting on the decisions of the assembly that relate to their discharge from liability for the management of the company or those related to a direct or indirect interest thereof.

Article No. 32: Decisions of Assemblies

Decisions shall be issued in the Ordinary General Assembly by an absolute majority of the shares represented at the meeting, and the decisions of the Extraordinary General Assembly shall be 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 term of the company or its dissolution before the expiry of the period specified in its Articles of Association or its merger with another company, it shall not be valid unless it is issued by a majority of three quarters of the shares represented at the meeting.

Article No. 33: Discussion in Assemblies

Each shareholder is entitled to discuss the topics included in the agenda of the General Assembly and to address questions thereon to the members of the Board of Directors and the auditor. The Board of Directors or the auditor shall answer the questions of the shareholders to the extent that it does not expose the interest of the Company to harm. If the shareholder deems that the answer to his question is not convincing, he shall appeal to the Assembly and its decision in this regard shall be enforced.

Article No. 34: Chairmanship of Assemblies and Preparation of Minutes

The meetings of the general assemblies of shareholders shall be chaired by the Chairman of the Board of Directors or his deputy in his absence or whoever is delegated by the Board of Directors from among its members, so in the absence of the Chairman and his deputy.

A minutes shall be drawn up at the general assembly meeting, including the number of shareholders present or represented, the number of shares held thereby in person or by proxy, the number of votes prescribed, the decisions taken, the number of votes approved or disagreed, and a compendium of the discussions that took place at the meeting. The minutes shall be recorded regularly after each meeting in a register signed by the president of the assembly, its secretary and the collector of votes.

Chapter Five **Audit Committee**

Article No. 35: Formation of the Committee

The Audit Committee shall be formed by a decision of the Ordinary General Assembly consisting of at least three members and not exceeding five members who are not members of the Executive Board of Directors, whether shareholders or others, and the decision shall specify the tasks of the Committee, its work controls and the remuneration of its members.

Article No. 36: Quorum for Committee Meeting

The validity of the meeting of the Audit Committee requires the presence of the majority of its members, and its decisions shall be issued by a majority of the votes of those present and in the event of equality of votes, the side with which the Chairman of the Committee voted shall prevail.

Article No. 37: Powers of the Committee

The Audit Committee shall be responsible for monitoring the Company's business and for this purpose it is entitled 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 convene the General Assembly of the Company if the Board of Directors obstructs its work or the Company suffers serious damages or losses.

Article No. 38: Reports of the Committee

The Audit Committee shall consider the Company's financial statements, reports and observations submitted by the auditor, and provide its opinions thereon, if any, and shall also prepare a report on its opinion on the adequacy of the internal control system in the Company and on other work 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 21 days before the date of the General Assembly to provide each of the shareholders with a copy thereof. The report shall be read out during the Assembly.

Chapter Six: the Auditor

Article No. 39: Appointment of the Auditor

The company shall have one (or more) auditors from among the auditors licensed to work in the Kingdom appointed by the Ordinary General Assembly annually. His remuneration and duration of work shall be determined, and the Assembly may also at any time change it, without prejudice to his right to compensation if the change occurs at an inappropriate time or for an illegitimate reason.

Article No. 40: Powers of the Auditor

The auditor is entitled at any time to examine the company's books, records and other documents, and may also request such data and clarifications as he deems necessary to obtain in order to verify the company's assets, liabilities and other matters within the scope of his work. The Chairman of the Board of Directors shall enable him to perform his duty, and if the auditor encounters difficulty in this regard, he shall prove this in a report submitted to the Board of Directors. If the Board does not facilitate the work of the auditor, he shall request the Board of Directors to hold an Ordinary General Assembly to consider the matter.

Chapter Seven

Company's Accounts and Profit Distribution

Article No. 41: Fiscal Year

The company's fiscal year starts from the first of January and ends at the end of December of each calendar year.

Article No. 42: Financial Documents

- 1- At the end of each fiscal year, the Board of Directors of the Company shall prepare the financial statements and a report on its activities and financial position for the preceding fiscal year, including the proposed method of distributing profits. The Board shall place these documents at the disposal of the auditor at least forty-five days before the date set for the General Assembly.
- 2- The documents referred to in paragraph (1) of this Article shall be signed by the Chairman of the Board of Directors of the Company, and copies thereof shall be deposited at the Company's head office at the disposal of the shareholders at least 21 days before the date set for the General Assembly.
- 3- The Chairman of the Board of Directors shall provide the shareholders with the Company's financial statements, the Board of Directors' report and the auditor's report, unless they are published in a daily newspaper distributed at the Company's head office. The Chairman shall also send a copy of these documents to the Ministry and the Capital Market Authority at least fifteen days before the date of the General Assembly.

Article No. 43: Profit Distribution

- 1- (10%) of the net profits shall be retained to form the statutory reserve, and the ordinary general assembly may decide to suspend this retention when the statutory reserve reaches (30%) of the paid-up capital.
- 2- The Ordinary General Assembly may, upon a proposal from the Board of Directors, set aside (10%) of the net profit to form a voluntary reserve that is allocated to certain purpose or purposes.
- 3- The Ordinary General Assembly may decide to make other reserves, to the extent that it serves the interest of the Company or to ensure the distribution of fixed profits to the shareholders as much as possible.
- 4- From the remaining part, a percentage representing at least (5) of the company's paid-up capital shall then be distributed to the shareholders.
- 5- Subject to the provisions of article (19) of this By-Laws and Article (76) of the Companies Law, (10%) of the remaining part shall be allocated to the Board of Directors, provided that the entitlement to such remuneration shall be in accordance with the regulations followed in this regard.

Article No. 44: profits entitlement

The shareholder is entitled to his share in the profits in accordance with the decision of the General Assembly issued in this regard, and the decision shall indicate the date of maturity and the date of distribution, and the eligibility of profits shall be for the owners of shares registered in the shareholders' records at the end of the day specified for maturity.

Article No. 45: Profits Distribution for Preferred Shares

- 1- If no profits are distributed for any fiscal year, profits may not be distributed for the following years except after payment of the percentage specified in accordance with the provisions of Article (one hundred and fourteenth) of the Companies Law for the owners of preferred shares for that year.
- 2- If the company fails to pay the percentage specified in accordance with the provisions of Article (one hundred and fourteenth) of the Companies Law) of the profits for a period of 3 consecutive years, the special assembly of the owners of these shares, held in accordance with the provisions of Article (eighty-ninth) of the Companies Law, may decide either to attend the meetings of the general assembly of the company and participate in voting, or to appoint 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 priority profits allocated to the holders of these shares for previous years.

Article No. 46: Company losses

- 1- If the company's losses amount to half of the paid-up capital at any time during the fiscal year, any officer in the company or the auditor shall, upon becoming aware thereof, notify the Chairman of the Board of Directors, and the Chairman of the Board of Directors shall immediately inform the members of the Board thereof. The Board of Directors shall, within fifteen days of becoming aware thereof, hold the extraordinary general assembly meeting within forty-five days from the date of becoming aware of the losses, to decide whether to increase or decrease the company's capital in accordance with the provisions of the Companies Law. This is to the extent that the percentage of losses falls below half of the paid-up capital or the dissolution of the company before the prescribed period specified in the Companies Law.
- 2- The company shall be deemed to be dissolved by the force of the Companies Law if the General Assembly Meeting was not held within the period specified in paragraph (1) of this Article, or if the meeting was held and the General Assembly was unable to issue a decision on the matter, or if it decides to increase the capital in accordance with the conditions prescribed in this Article and the subscription for each capital increase is not made within ninety days of the issuance of the General Assembly's decision of increase.

Chapter Eight **Disputes**

Article No. 47: Lawsuit of Liability

Each shareholder is entitled to file a Lawsuit of Liability against the members of the Board of Directors if the fault occurred thereby would cause his own damage. The shareholder may not file the said lawsuit unless the company is still entitled to file it. The shareholder shall inform the company of his intention to file a lawsuit.

Chapter Nine **Company's Dissolution and Liquidation**

Article No. 48: Termination of the company

The company shall, upon termination, enter into liquidation and shall retain its legal personality to the extent necessary for liquidation. The decision of compulsory liquidation shall be issued by the Extraordinary General Assembly. The decision of liquidation shall include appointing the liquidator and determining his powers and remuneration, the limitations imposed on the powers thereof and the necessary period for liquidation. The term of voluntary liquidation shall not exceed five years, and may not be extended for a further period unless upon a judicial order. The authority of the company's board of directors shall end upon its dissolution. The directors shall continue to manage the company, and shall be deemed as liquidators against third parties until a liquidator is appointed. The company's assemblies shall remain valid during the liquidation period, and the role thereof shall be limited to practicing its powers that are not in conflict with those of the liquidator.

Chapter Ten **Final provisions**

Article No. 49: publication of Bylaws

This Bylaws will be sent and published according to the provisions of the Companies Law and its regulations.

Article No. 50: Application of Companies Law

The Companies Law and its regulations will be applied in all the matters that do not have any text in this Bylaws.

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