

Electrical Industries Company Bylaws

The First Chapter

Article (1): incorporation

A Saudi joint stock company was incorporated in accordance with the provisions of the Companies Law and its regulations and this Bylaws, as per the following:

Article (2): Company Name

Electrical Industries Co - Saudi joint stock company (Listed)

Article (3): Head Quarter

The Head quarter of the company shall be in Dammam, Kingdom of Saudi Arabia. The Board of Directors may establish branches, offices, or agencies inside or outside the Kingdom.

Article (4): Company's Purposes:

The company practices and executes the following purposes:

- 1- Manufacture, sale, and trade of electrical transformers (oil cooled, dry, resin of various capacities)
- 2- Manufacture, sale and trade of cables and cables supports and accessories (steel and aluminum).
- 3- Manufacturing, selling, and trading in units as follows:

Electrical panels, low-voltage panels, Low and medium voltage motor control centers, Interconnected and interconnected current with medium voltage protection, integrated transformer stations with various capacities. Voltages, powerful capacitors (Improved capacity factor), low or medium-voltage with capacities of graded capacities, drop-in fuses (medium-voltage fuses). Lightning conductor of various voltages, Load bearing partition Low voltage for outdoor use, low voltage transfer switch, Hanging Load bearing partition, control panels. Low and medium voltage electric rod ducts of various capacities, low and medium voltage electric rods of various capacities, overhead crane, and winch reel, fixed head crane and toroidal linkage.

- 4- Trade in all types of electrical materials and equipment.

The company shall not practice its activity unless the required licenses for such activities are obtained, if need be.

Article (5): Participation and Ownership in the Companies

The company may solely establish limited liability companies or closed joint stock, provided that the capital is not less than SAR (5) million five million. It may also own shares and stocks 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 requirements of the applicable regulations and instructions.

The company may also dispose of these shares or stocks, whereas that shall not include brokerage in their trading process.

Article (6): The Company Term:

The term of the company is ninety-nine (99) years, starts from the date of its registration in the Commercial Register, and this period may always be extended by a resolution issued by Extraordinary General Assembly at least one year before the expiry of its term.



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The Second Chapter **Capital and Shares**

Article (7): The Company's Capital

The capital was specified with amount of SAR (450,000,000) four hundred and fifty million SAR, divided into (45.000.000) forty-five million shares, equal in value, the nominal value of each of which is (10) ten riyals, all of which are ordinary shares.

Article (8): Subscription in Shares

The founders subscribed in all shares of the company amounted (45.000.000) forty-five million and they are fully paid.

Article (9): Payment of the Shares Value:

The shareholder shall pay the value of the share on the dates set, therefor. If he fails to pay on the due date, the Board of Directors may, after notifying him via a registered letter at his address recorded in the shareholders register, sell the share in a public auction or the stock market, as the case may be, in accordance with the regulations set by the relevant entity.

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, in addition to the expenses incurred by the company in this regard. The company annuls the sold share in accordance with the provisions of this article and grants the buyer a new share bearing the number of the canceled share and indicates in the shares register that the sale took place with the name of the new owner.

Article (10): Issuance of Shares

The nominal value of the one share is SAR (10) ten, and it may not be issued for less than its nominal value, but it may be issued at a higher value.

In this case, the difference in value shall be added in a separate item among the shareholders' equity, even if it reaches its maximum limit.

The share is undividable against the company, if it is owned by more than one person, they must choose one of them to act on their behalf in using the share rights, and these persons shall be jointly liable for the liabilities arising from the ownership of the share.



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Article (11): Preferred Shares

The Extraordinary General Assembly of the company may, in accordance with the principles set by the relevant entity, issue preferred shares or decide to purchase them, convert the ordinary shares into preference, or convert preferred shares into ordinary ones.

Preferred shares do not give the right to vote in the General Assemblies. These shares authorize its owners to obtain a percentage higher than the owner of ordinary shares of the net profit of company after setting aside the statutory reserve.

Article (12) Bonds and Instruments:

The company may issue - in accordance with the Capital Market Law - debt instruments or negotiable financing instruments.

Article (13): Shares Trading

The shares, in which the founders are subscribed may only be traded after the publication of the financial statements of the company for two fiscal years, each of which may not be less than twelve months from the date of the company's incorporation. The instruments of these shares shall be marked in a way that shows their type, date of company incorporation and the period in which trading is banned.

However, during the ban period, the shares property may be transferred in accordance with the provisions of the selling rights from one of the founders to another 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 founder or the bankrupt, provided that the priority of owning those shares shall be granted to the other founders.

These provisions shall be applicable to what the founders subscribe to in the event of capital increase before the expiry of the ban period.

Article (14): Shareholders Registry

The shares of the company are traded according to the provisions of the Saudi Capital market and its executive regulations

Article 15): Shares Certificates:

The shares purchased / or subscribed are kept in the Saudi Stock Exchange (Tadawul) under the supervision of the Capital Market Authority. Tadawul shall provide the company with shareholders registry, ID numbers, nationalities, residence place and number of shares owned by the company. The shares are subject to all regulations and rules applied in Saudi Arabia.

Article (16): The Company's purchase for its shares:

The company may purchase its shares or mortgage it in accordance with the rules established by the competent authority and the shares purchased by the company do not have votes in the Shareholders' Assembly.



Article (17): Capital Increase

- 1) The Extraordinary General Assembly may decide to increase capital provided that the capital is fully paid. It is not necessary for the capital to be paid in full, if the unpaid part of the capital belongs to shares issued in return for transferring debt tools or financing instruments to shares and the period of transferring them to shares has not yet ended.
- 2) The Extraordinary General Assembly may in all cases allocate issued shares upon capital increase or part of them for the employees of the company, subsidiaries, some, or any of that. The shareholders may not exercise priority rights when the company issues shares allocated for the employees.
- 3) The shareholder who owns the share at the time in which the Extraordinary General Assembly issues resolution to approve the capital increase – have the priority in subscription in new shares issued in exchange of cash shares and those shall be informed of their priority through publication in a daily newspaper or informing them via registered mail about the capital increase decision, subscription terms, period and its start and end date.
- 4) The Extraordinary General Assembly is entitled to suspend the enforcement of priority right of the shareholders in subscribing to capital increase in exchange for cash shares or to grant the priority to non-shareholders in cases, which it deems appropriate to the company interest.
- 5) The shareholder is entitled to sell or waive the priority right within the period from issue date of the General Assembly resolution approving the capital increase until the last day of subscription in new shares associated with these rights in accordance with the controls set by the competent authorities.
- 6) While taking into account what mentioned in paragraph (4) above, new shares shall be distributed to the priority rights holders, who requested subscription with percentage of what they own of priority rights from the total priority rights arising from the capital increase , provided what they obtain shall not exceed what they requested for new shares and the remainder of new shares shall be distributed to the holders of priority rights who requested more than their shares with the percentage of what they own of priority rights from the total priority rights arising the capital increase , provided that what they obtain shall not exceed what they requested of the new shares , whereas, the remaining shares shall be offered to third parties , unless the Extraordinary General Assembly or Saudi Capital Market Law states otherwise.

Article (18): Capital Decrease

The Extraordinary General Assembly shall decide to decrease the capital of the company if it exceeds its needs or if the company has incurred losses, whereas in this latter case only, the capital may be decreased below the limit stated in Article No. (54) of the Companies Law. The resolution to decrease the capital shall only be issued after reading the auditor's report about justifying the reasons, the company's liabilities, and the effect of decrease on these liabilities.

If the decrease was due to the company capital exceeding its needs, the creditors shall be called to present their objections within sixty days from the date of publication of the decrease resolution in a daily newspaper distributed in the area where the companies headquarter is located. If one of the creditors objected and submitted documents to the company on said date, the company shall pay him his debt if it is a current debt or provide sufficient guarantee if it is a deferred debt.

The Third Chapter **Board of Directors**

Article (19): Board of Directors

The company is managed by a Board of Directors composed of eight members elected by the Ordinary General Assembly for three years. As an exception, the shareholders appointed the first board of directors in the meeting of the constituent assembly for a period of five years, starting from the date of the issuance of the Minister's resolution announcing the establishment of the company.

Article (20): Expiry of Board Membership

Board membership shall end upon the expiry of its term or upon the expiry of the member's term in accordance with any valid rules or instructions in the Kingdom of Saudi Arabia. However, the Ordinary General Assembly may at any time dismiss all or some of the members of the Board of Directors, without prejudice to the dismissed member right towards the company to claim a compensation if the dismissal was unjustified or occurred at an inappropriate time. A member of the board of directors may resign, provided choosing a propitiate time, otherwise, he will be held accountable before the company for the damage arising due to resignation.

First Article (20): Vacant Position in the Board

If the position of a member of the Board becomes vacant, the Board may temporarily appoint a member in the vacant position, and the Capital Market Authority shall be notified of the appointment within five working days.

This appointment shall be presented to the Ordinary General Assembly at its first meeting, and the new member completes his predecessor term. If the number of members of the board of directors are decreased below the quorum required for the validity of its meetings (5) Five members, the remaining members shall call the Ordinary General Assembly to convene within sixty days to elect the required number of members.

Article (22): Powers of the Board of Directors

Subject to the powers prescribed for the General Assembly, the board of directors shall have the widest powers in the management of the company to achieve its purposes, it has the following:

- 1) Supervising and executing the general policies of the company and setting the required administrative and technical plans to run its business and achieve its purposes.



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2) The right to dispose of assets, property, and real estates of, whereas it is entitled to purchase, accept it, pay the price, mortgage, redemption of mortgage, conveyance, receive the price, deliver the appraised , assignment and its acceptance . The minutes of the board of directors shall include the reasons for its resolution to dispose of the assets, property, and real estate of the company subject to the following conditions:

A- The board shall specify in the sales resolution the reasons and its justifications

B – The sale shall be close the counterpart price.

C-The sale shall be immediate, except for some cases determined by the board and with sufficient guarantees.

D- The disposal should not lead to the suspension of the company's activities or burden it with other liabilities.

3) The board may conclude loan contract with government funds and funding institutions regardless of its period, as well as commercial loans which does not exceed the end of the company's term, as for loans whose term exceeds three years, subject to the conditions described below:

A. The amount of loans that the board may conclude shall not exceed 50% of the company's capital during the company's financial year

(B) The board shall determine in its resolution the uses of the loan and how to repay it.

C -Loan terms and the provided guarantees shall consider not to harm the company, its shareholders, and the general guarantees of creditors.

4- Opening documentary credits, bank guarantees, bank accounts, withdrawing and closing them.

5- The right to participate in tenders and auctions which are necessary for the company's business and reviewing the offers submitted and awarded.

6 -Right of conciliation, waiver, and contract in the name of the company and on its behalf.

7- The board of Directors may – in the cases deemed appropriate by it - discharge the company debtors from their liabilities in accordance with its interest, provided that the minutes of the board meeting and the resolution shall include the following conditions:

A-The discharge shall be after a full year after the emergence of the debt as a minimum.

(B) The discharge shall be to a specific amount at a maximum amount for every year for single debtor.

(C) The discharge right is solely entitled to the board, and it may not be delegated.

The board of directors may delegate some of its powers to the chairman or any member of the board or to third parties.

Article (23): Remuneration of the Board of Directors:

1- Members of the Board of Directors shall receive remuneration in accordance with the terms and conditions approved by the Ordinary General Assembly from time to time and within the framework of the provisions of the Companies Law or any other complementary regulations or resolutions. This remuneration may be certain amount or attendance allowance, and it can be benefits or a certain percentage of net profits and may be combined with two or more of these benefits.

2-If the remuneration is a certain percentage of company's profit, it shall not exceed (10%) of the net of profits, after distributing a profit of no less than (5%) to the shareholders of the paid-up capital of the company, provided that the entitlement to this bonus is proportional to the number of sessions attended by the member.

3- In all cases, the sum of the remuneration or in-kind benefits received by a member of the Board of Directors shall not exceed the amount of (five hundred thousand riyals annually) in accordance with the regulations set by the competent authorities.

4- The report of the Board of Directors to the Ordinary General Assembly includes a comprehensive statement of all the bonuses, expenses allowances and other benefits received by the members of the Board of Directors during the fiscal year. The report includes a statement of what the members of the board of directors received in their capacity as employees, administrators, or what they received in return for administrative, advisory, or technical work.

Article (24): Chairman of the Board of Directors, Vice Chairman / Managing Director, and Chief Executive Officer.

The Board of Directors appoints from among its members a chairman and a vice chairman, whereas it may appoint a Managing Director. It is not permissible to combine the position of the chairman of the board with any other executive position in the company. The Vice Chairman of the Board of Directors replaces the Chairman of the Board of Directors in his absence.

1) The Chairman of board / Vice chairman is entitled with the powers to call the Board to convene and chair the Board's meetings and the shareholders' general assembly meetings.

2) The Chairman of the Board represents the company and sign on its behalf in its relationships with others, before the judiciary, government authorities, the notary, the General Investment Authority, the Capital Market Authority, courts, dispute settlement committees of various kinds, judicial authorities. The Chairman of the Board represents the company at arbitration authorities, development funds, governmental and private financing funds, chambers of commerce and industry, private authorities, banks, companies, and institutions of various kinds. The Chairman of the Board is also authorized to sign all types of contracts, documents , including signing on behalf of the company the contracts of incorporation of the companies in which the company participates with their amendments and appendices, whatever the purposes of the amendments included therein, including the amendments related to the assignment of shares and shares in companies and the sale of those shares and quotas or Acceptance of it, sale and purchase of movable property, real estate and land, acceptance of purchase, emptying, payment of price or receipt of price, mortgage, release of mortgage, signing contracts, agreements, checks and voiding before notaries and official authorities .

It also signs loan and financing agreements, guarantees, and guarantees, opening and operating bank accounts, documentary credits, issuing power of attorney on behalf of the company, appointing agents and lawyers and delegating them with the necessary powers. He has the right to authorize any of the company's employees or others within the limits of his competence in relation to undertaking certain work or businesses.

The board of directors is also entitled to choose from among its members or outside the members a chief executive, and the board determines by a resolution the tasks and rewards of the chief executive.

The Board shall appoint from amongst its members or others a secretary and shall issue a resolution specifying the tasks and rewards of the secretary. The term of membership of the board chairman, vice-chairman and managing director shall not exceed the term of each of the membership in the board. They may be re-elected, and the Board may dismiss any of them at any time or without prejudice to their rights regarding compensation if the dismissal occurred for an unlawful reason or at an inappropriate time.

Article (25) - Board Meetings

The Board of directors shall convene at least twice a year as per written invitation from the chairman. The Chairman of the Board shall call for a meeting whenever it is requested to do so in by two of the members at least.

Article (26): Quorum of Meetings and Resolutions

The meeting of the Board of Directors shall only be deemed valid if attended by at least five members.

In the event that the member of the board of directors authorized another member to the attend the board meeting on his behalf, the representation shall only be in accordance with the following controls:

- 1-The member of the board may represent more than one member in attending the meeting.
- 2- The representation shall be recorded in writing.
- 3- The representative may not vote on resolutions, which the law bans the representative from voting.

The Board of Directors may issue resolutions by submitting them to all members separately, unless one of the member's requests in writing the Board meeting for deliberation. The Board's resolution shall be issued with absolute majority for the votes of the members of the board present or represented at the meeting, with a minimum of two votes. When the votes are tied, the side which the chairman votes shall prevail.

Article (27): Board Deliberations

The deliberations and resolutions of the Board shall be recorded in minutes and signed by the Chairman of the Board, the members of the board present, and the Secretary, these minutes shall be recorded in a special register signed by the chairman of the Board and the secretary.

Article (28): Committees

The Board of Directors may form committees and authorize them with such powers as the board may deem appropriate and shall coordinate between these committees, with the aim of quickly deciding on the matters submitted to it.



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The Fourth Chapter **Shareholders' Assembly**

Article (29): Attending Meetings

Each subscriber, regardless of the number of his shares, is entitled to attend the constituent assembly. Each shareholder is entitled to attend the general assembly meeting and he may authorize a shareholder or another person other than the members of the board of directors or the company's employees to attend the general assembly.

Article (30): The Constituent Assembly

The founders shall call all the subscribers to convene a constituent assembly within forty-five days from the date of closing the subscription in the shares. The validity of the meeting requires the attendance of a number of subscribers representing at least half of the capital. If this quorum is not available, the second meeting shall be held an hour after the end of the period specified for the first meeting, provided that the invitation to the first meeting shall include that. In all cases, the second meeting shall be valid regardless of the number of subscribers represented in it.

Article (31): The competencies of Constituent General Assembly

The Constituent Assembly specializes in the following matters:

1. Verify that all shares of the company have been subscribed and that the minimum capital and the due amount of the value of the shares have been fulfilled in accordance with the provisions of the Regulations.
2. Deliberation on the evaluation report of the in-kind shares.
3. Approve the final version of the Company's Bylaws, provided that no substantial amendments are made, except with the approval of all the subscribers represented therein.
4. Appointing the members of the first board of directors for a period not exceeding five years.
5. Appointing the first auditor and determining their fees.
6. Deliberation in the founders' report on the works and expenses required for the establishment of the company.

Article (32): Specializations of the Ordinary General Assembly

Except for matters of the Extraordinary General Assembly, the Ordinary General Assembly is concerned with all matters relating to the company. It convenes at least once a year during the six months following the end of the company's fiscal year. Other ordinary assemblies may be called whenever necessary.

Article (33): The Competence of the Extraordinary General Assembly

The Extraordinary General Assembly is competent to amend the company's bylaws except for the provisions which is banned to amend by law. It may issue resolutions in matters falling within the competence of the Ordinary General Assembly under the same conditions and situation prescribed for the Ordinary General Assembly.



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Article (34): Convention of Shareholders Assembly:

Shareholders' general or private Assemblies shall be convened with invitation of the Board of Directors, whereas the Board of Directors shall call the Ordinary General Assembly to convene, if the auditor, the audit committee, or a number of shareholders representing at least (%5) of the capital requested such. The auditor may call the General Assembly to convene if the Board failed to call Assembly within thirty days from the date of the auditor's request. The invitation of the General Assembly to convene shall be published in a daily newspaper distributed in the area, which the company's head office is located at least twenty-one days prior to the scheduled date of the convening. However, the company may send the invitation on the mentioned date to all shareholders by registered letters, and a copy of the invitation and the agenda shall be sent to Capital Market Authority within the period specified for publication.

Article (35): Shareholders' Attendance Record

Shareholders wishing to attend the general assembly register their names at the company's head office or at the place where the assembly is held before the time set for the assembly convention.

Article (36) : Quorum of the Ordinary General Assembly

The meeting of the Ordinary General Assembly shall not be valid unless attended by shareholders representing at least a (25%) of the capital. If the necessary quorum is not met to convene this meeting, a second meeting shall be held after an hour from the end of the period set the first meeting, provided that the invitation of the first meeting shall include the possibility of holding such meeting. In all cases, the second meeting shall be valid regardless of the number of shares represented therein.

Article (37) : Quorum of the Extraordinary General Assembly

The Extraordinary General Assembly shall only be deemed valid, if it is attended by shareholders representing at least half of the capital. If this quorum is not available in the first meeting, the second meeting shall be held after an hour of the end of the period set for the first meeting, provided that the invitation of the first meeting shall include the possibility of holding such meeting. 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 was not available in the second meeting, an invitation shall addressed for a third meeting to be held with the same situation stated in Article (33) of this bylaws. The third meeting shall be valid regardless of the number of shares represented therein after the approval of the competent authority.

Article (38): Calculation of Votes/Right to Vote

Each shareholder has one vote for each share he represents at the Constituent Assembly. The votes in the Ordinary General Assemblies and the Extraordinary General Assembly are counted based on a vote per each share. The shareholder's right to vote shall be facilitated. The cumulative voting method shall be followed in electing the Board of Directors at the Ordinary General Assembly. The shareholder has the right to distribute his votes among more than one candidate according to the shares he owns. However, the Board of Directors may not participate in voting on the Assembly's Resolutions relating to their discharge for their management of the company.



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Article (39): General Assembly Resolutions

Resolutions in the Constituent Assembly and the Ordinary General Assembly shall be made by an absolute majority of the shares represented at the meeting. The resolutions of the Extraordinary General Assembly shall also be issued by a majority of two-thirds of the shares represented at the meeting unless the resolution related to the increase or decrease of the capital, extending the company term, dissolution of the company before the expiry of the period stated in the in its bylaws or the company merger with another company or enterprise, whereas, the resolution shall only be deemed valid if it was issued by a majority of 75% of the shares represented at the meeting.

Article (40): Discussions in the General Assemblies

Each shareholder has the right to discuss the subjects listed on the Assembly's agenda and to address questions in its regards to the members of the Board and the auditor. The members of the board or the auditor answers the shareholders questions to the extent that does not expose the company interest to harm or damage. If the shareholder deems that the answer to his question is not convincing, he shall report to the Assembly, whose Resolution is binding in this regard.

Article (41): Presiding Over General Assemblies and Preparing Minutes

The General Assembly is chaired by the chairman of the board of directors or its deputy in case of his absence, or whoever is delegated by the board of directors from its members for such purpose in the absence of the chairman and its deputy.

The minutes of General Assembly of meeting shall be drafted that include the names of the shareholders present or the representative, the number of shares in their possessions in person or by proxy, the number of votes allocated thereupon, the resolutions taken, the number of votes that approved or disapproved thereby, and a summary of the discussions that took place in the meeting. Minutes are recorded on a regular basis after each meeting in a special register signed by the Chairman of the General Assembly, its secretary and Canvasser.

The Fifth Chapter: Audit Committee

Article (42): Formation of the Committee

The Audit Committee is formed by a Resolution adopted by the Ordinary General Assembly, consisting of non-executive board members, whether shareholders or others, provided that the number of its members is not less than three and not more than five. The resolution defines the committee's tasks, rules of work, and remuneration of its members.

Article (43): Quorum of Committee Meetings

For the audit committee meeting to be valid, the attendance of the majority of its members is required, and its resolutions are issued by the majority of the votes present.

Article (44) The tasks of the committee:

The Audit Committee is responsible for monitoring the company's business, and for this purpose it has the right to audit its records and documents and to request any clarification or statement from the members of the Board or the Executive Management. It may request the board of directors to call General Assembly of the company to convene if the board of directors impedes its work or the company incurred serious damage or losses.

Article (45): Reports of the Committee

The Audit Committee must review the company's financial statements, reports and notes provided by the auditor and express its views thereon. The Audit Committee shall also prepare a report on its opinion regarding the adequacy of the company's internal control system and the activities it has been carried out within its jurisdiction. The board of directors shall also provide sufficient copies of this report at the company's head office at least twenty-one days before the date of the meeting of the Assembly to provide a copy of such report to whoever desired by the shareholders. The Audit report shall be read during the meeting of the General Assembly.

The Sixth Chapter: The Auditor

Article (46) : The Auditor

The company shall have one or more auditors who are licensed to work in the Kingdom, to be appointed annually by the General Assembly. The Ordinary General Assembly shall determine the auditor's remuneration and term of work. The General Assembly may reappoint the auditor, provided that the total of its appointment does not exceed five consecutive years. An auditor who has utilized this period may be re-appointed after the lapse of two years from the date of its expiry.

Article (47) : The Powers of the Auditor

The auditor has the right at any time to review the company's records, registers and other documents. The auditor also has the right to request data and clarifications that he deems necessary to obtain to verify the company's assets and obligations and other things that fall within the scope of its work. The chairman of the board of directors shall enable the auditor to perform his duty. In case the auditor encounters difficulty in this regard, he shall prove such issue 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 call the Ordinary General Assembly to consider the matter.



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The Seventh Chapter **Company Accounts and Dividends**

Article (48): The Fiscal Year

The company's fiscal year starts from 1 January and ends at the end of December of each year, provided that the first Fiscal Year starts from the date of its registration in the Commercial Register until the end of December of the following year.

Article (49) : Annual Reports

1-The board of directors shall, at the end of each fiscal year of the Company, prepare the financial statements of the company and a report on its activities and financial position for the past Fiscal Year. This report includes the proposed method of dividends. The Board shall make these documents available to the auditor at least forty-five days before the date set for the General Assembly meeting.

2- The Chairman of the Board, chief executive officer and financial manager must sign the documents referred to in Paragraph No. (1) of this Article. Copies of these documents shall be secured at the company's head office at the disposal of the shareholders at least twenty-one days before the date of the General Assembly meeting.

3-The Chairman of the Board of shall provide the shareholders with the financial statements of the company, the Board of Director report, and the auditor's report, unless they are published in a daily newspaper distributed in the company's head office. He shall also send a copy of these documents to the Capital Market Authority, at least twenty-one days before the date of the General Assembly meeting.

Article (50) 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, and the Ordinary General Assembly may discontinue this deduction when the said reserve reaches (30) of the capital.

2- The Ordinary General Assembly based on recommendation from the board to retain (10%) of the net profit to form agreed reserve to be allocated for benefit of the company.

3- After that from the remainder, an initial payment of 5% percent of the paid capital to be distributed to the shareholders.

3- After the foregoing, (10%) of the remainder is allocated for the remuneration of the Board of Directors, provided that the entitlement to this remuneration is proportional to the number of sessions attended by the member.



Article (51) Profit Entitlement

The shareholder shall be entitled to his portion in the profits in accordance with the resolution of the General Assembly issued in this regard. The resolution shall specify the maturity date and the date of distribution. The eligibility for profits shall be to shareholder registered in the shareholders' registry at the end of the day specified for entitlement. The Assembly may decide to distribute profits on an annual, semi-annual, or quarterly basis. The General Assembly may authorize the Board to distribute interim dividends according to a resolution renewed annually.

Article (52) Distribution of dividends for preferred shares

1- If no dividends are distributed for any financial year, it is not permissible to distribute profit for the following years except after paying the percentage specified in accordance with the provision of Article No. (114) of the Companies law for the owners of preferred shares for that year.

2- If the company fails to pay the specified percentage, in accordance with the provisions of Article No. (114) of the Companies Law, of profits for a period of three consecutive years, then the Special Assembly of the owners of these shares, which convened as per the provisions of Article No. (89) of the companies Law may decide whether they attend the General Assembly meeting and participate in voting. The company's General Assembly and participation in voting or appointing their representatives in the Board of Directors in proportion to the value of their shares in the capital, until the company can pay the full priority dividends allocated to the owners of such shares.

Article (53): Company losses

1- If the company's losses amount to half of the paid-up capital at any time during the Fiscal year, any company official or the auditor must immediately inform the Chairman of the Board of Directors, and the latter must immediately inform the members of the Board thereof. The Board of Directors must within fifteen days from the date of being informed of the losses, call the Extraordinary General Assembly to meet within forty-five days to decide whether to increase or decrease the company's capital in accordance with the provisions of the Articles of the Companies Law to the extent that the company's losses are reduced to less than half of the paid-up capital, or to dissolve the company before the term specified in its bylaws.

2- The company shall be deemed terminated by the force of the companies Law if the General Assembly did not meet within the period specified in Paragraph No. (1) of this Article, or if it convened and was unable to issue a resolution in such regard, or if it decided to increase the capital in accordance with the conditions stipulated in this Article subscription in the Each capital increase within ninety days from the issuance of the Assembly's resolution to increase it.



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Article (54): Liability Claim

Each shareholder has the right to file a liability claim prescribed by the company against the members of the Board members if the fault they have made would cause a special harm to such shareholders. The shareholder may not file the said claim unless the company's right to file it still exists. The shareholder must notify the company of his intention to file a liability claim.

The Ninth Chapter

Insolvency and Liquidation of the Company

Article (55): Insolvency of the company:

Upon its expiry, the company enters the phase of liquidation and retains the legal personality to the extent necessary for liquidation. Voluntary liquidation resolution is issued by the Extraordinary General Assembly. The resolution of liquidation must include the appointment of the liquidator and specifying his powers and fees, restrictions imposed on his powers and the time required for liquidation. The period of voluntary liquidation should not exceed five years and may not be extended for more than that period except by a judicial order, and the authority of the company's board of directors ends upon dissolution. Nevertheless, they remain in charge of the company's management, and they are counted as liquidators with respect to third parties until the liquidator is appointed, and the shareholders Assembly remain in place during the liquidation period, and their role is limited to practicing their competencies that do not conflict with those of liquidator.

The Tenth Chapter

Closing Provisions

Article (56):

The companies Law and its regulation shall be applied in case not stated in this Bylaws.

Article (57):

This bylaw is filed and published in accordance with the Companies Law.

*A copy of the Memorandum was issued based on the resolution of the Extraordinary General Assembly 24/04/2019.

*published.