

Articles of Association of Yemen Mobile Company (Shareholding Company)

SECTION ONE

Incorporation of the Company

ARTICLE (1):

The Company is incorporated in accordance with the provisions of the applicable Commercial Companies Law No. (22) for 1997 and its amendments, the applicable Investment Law, the Articles of Association, and the Cabinet Decrees No. (97) and (287) for 2006 on the approval of turning Yemen Mobile into a Yemeni shareholding company and amending the share and the capital in Yemen mobile among the shareholders in accordance with the provisions explained hereafter.

ARTICLE (2):

Name of the Company: Yemen Mobile Company (Yemeni Shareholding Company).

ARTICLE (3):

Purposes of the Company:

1. Ownership, establishment, management, operation, usage, and maintenance of a public network and mobile phone services in the Republic of Yemen.
2. Establishment, management, and operation of all telecommunications devices, stations and facilities in all kinds which are used in providing mobile phone services, and any other functions or tasks related to the purposes of the company.
3. Establishment of a direct distribution network of its own including direct channels, direct and indirect sale stores, and retail points.
4. Provision of the related mobile phone services and value-added services to the customers.

5. Establishment of transmission link points via its transmission channels or via renting transmission channels from the Public Telecommunications Corporation.
6. Provision of mobile phone services in the Republic including but not limited to:
 - A- Audio communication services.
 - B- Data communication and internet services.
 - C- SMS services.
 - D- MMS services.
 - E- PTT services.
 - F- Additional digital services and features such as the waiting feature, call hold, call transfer, number showing, live video service, and any other services in the future.
7. Linking its network with any other licensed or authorized network in the Republic of Yemen or abroad based on a dual link agreement outlining the tasks and obligations of each party.
8. Working on developing its services, networks, and systems according to the latest international technologies, and working on spreading the service all around the Republic in good quality according to its plans, programs, and capabilities.
9. The Company shall have the right to import all the machines, equipment, and tools that serve and help in achieving its purposes in all the fields related to its operation and management, and marketing its products and in dealing with sale and purchase.
10. The Company shall have the right to own the fixed and movable assets to achieve its purposes.
11. The Company shall provide the mobile phone services in any of the internationally recognized mobile phone systems, and shall have the right to combine more than one system in providing the services when such action is in the interest of the shareholders and subscribers.
12. The Company shall have the right to advantages and exemptions for all its projects in accordance with the applicable Investment Law and other related applicable laws.
13. The Company shall have the right to commercial agencies and ownership of related

brands within its main activity. It shall also have the right to manufacturing of devices and products required by the activity whether that is done individually or in an agreement with manufacturers in the field of Yemeni or foreign telecommunications.

14. The Company shall have the right to exercise any commercial or service activity that serves its goals. It shall also have the right to have interests with authorities and companies that exercise similar activities including local and international investment. The Company shall have the right to partner with, merge, purchase, or annex, in any way, such authorities and companies.

ARTICLE (4):

The Company headquarters and its legal premises shall be in the City of Sana'a. By a resolution of the Company's Board of Directors, the Company may establish branches, offices or agencies inside or outside the Republic of Yemen.

ARTICLE (5):

The term of this Company is 50 (fifty) years starting from the issuance date of the Minister of Industry and Trade decree on the Company's establishment license. Every extension to the term of the Company shall be done by a similar decree.

SECTION TWO

THE COMPANY CAPITAL, SHARES, AND BONDS

ARTICLE (6):

The capital of the Company shall be determined in the amount of (YR 43,262,000,000) Yemeni Riyals forty-three billion and two hundred and sixty two million distributed to (86,524,000) eighty six million and five hundred and twenty four thousand shares. The value of each share is (YR500) Yemeni Riyals five hundred. All the Company's shares are in-kind.

ARTICLE (7):

- a. The undersigned on the Articles of Association subscribed to (%76.39) of the Company's capital shares, and (%23.61) shall be for public subscription for citizens, private companies, and telecommunications employees as follows:

S	Shareholder	No. of Shares	Share Value (YR)	Percentage %
1	Public Telecommunications Corporation	51,305,682	25,652,841,000	%59.3
2	General Authority for Security and Pensions	3,896,020	1,948,010,000	%4.50
3	General Corporation for Social Security	2,810,220	1,405,110,000	%3.25
4	Yemeni Economic Corporation	1,000,000	500,000,000	%1.16
5	Pension Fund and Social Security, Ministry of Defense	2,740,522	1,370,261,000	%3.17
6	Pension Fund and Social Security, Ministry of Interior	1,872,980	936,490,000	%2.16
7	Postal Savings Fund	2,467,898	1,233,949,000	%2.85
8	Ministry and affiliate agencies employees	4,069,446	2,034,723	%4.70
9	Citizens, private companies, and Youth and Sports	15,795,992	7,897,996	%18.26
	Youth and Sports Fund as per the contract	565,240	282,620,000	%0.65
TOTAL		86,524,000	43,262,000,000	%100

- b. The founders approved the report provided by the legal accountant (Deloitte Touche the Middle East and its partner). Based on this, the founders approved the in-kind shares value which are part of the Company's capital to include assets and equipment (Yemen Mobile) according to the legal accountant report which is attached to this as part and parcel of the Articles of Association.
- c. The Public Telecommunications Corporation shall be fully responsible for the authenticity of the assets referred to in the legal accountant report.
- d. The founders agreed to deposit the cash shares value of every founder (with the exception of the PTC and employees) in the PTC account in the Central Bank of Yemen. The issuance costs shall be deposited in a private account in the Cooperative and Agricultural Credit Bank. Every founder shall deposit his shares value and issuance costs by (%2) of the share value of YR10 per a share within a week from signing the Articles of Association with the exception of PTC where its shares value is in-kind and shall deposit its issuance costs in its shares and the PTC employees shares only after calculating the provided association expenditures to the issuance

costs accountant of the founders in the above mentioned bank.

e. The founders agreed to have the Initial Public Offering (IPO) in the banks mentioned below, and the founders approved the contracts signed with these banks as follows:

1. Yemeni Bank for Reconstruction and Development.
2. Yemeni National Bank.
3. Yemeni Cooperative and Agricultural Credit Bank.

f. The abovementioned banks shall not give the amounts of cash shares that will be paid by the subscribers and which will be deposited in those banks in the under-construction Company's account except to the Company's Board of Directors after the completion of the association procedures. The Board of Directors shall return the due difference to PTC to cover the provided assets value in full. The PTC due deference shall be deposited to the PTC account PTC shall submit to the Board of Directors all the assets in the legal accountant's report, and transfer the ownership to the Company in accordance with the Law.

ARTICLE (8):

A shareholder shall not demand the refund of the payment paid to the Company as a share in the capital.

ARTICLE (9):

All shares shall be nominal and not for shareholders until the Company's association procedures are complete.

ARTICLE (10):

The shares shall be obtained from a coupon register with serial numbers to be signed on by two members of the Board of Directors and have the Company's stamp. The share shall contain the date of the Company's association license decree, the date published in the official gazette, capital value, Company's headquarters, number of distributed shares, and Company's general purpose and term. The shares shall have serial profit coupons that also contain the share number. The shares issued by the Company shall be negotiable and all the Company's shares shall have equal rights and shall be subject to equal obligations. The data provided by the Company for the shares shall be a certificate for the holder.

ARTICLE (11):

The share ownership shall be transferred by a written assignment documented in a special register to be named Share Ownership Assignment Register after the provision of an acknowledgement letter signed by both the assignor and the assignee. The Company shall have the right to ask for endorsement of the two parties signatures and a proof of their eligibility by legal means. The same method shall be used in case of share ownership assignment by inheritance or will. The concerned people as appropriate shall demand the ownership assignment, and two members of the Board of Directors shall sign on the certificates and record the shares in the Share Ownership Assignment Register.

ARTICLE (12):

Founders cash and in-kind shares shall not be traded before the publication of the financial statement for a year that is not less than twelve months from the date of the Company's incorporation.

ARTICLE (13):

Every share shall be indivisible and a shareholder shall be only liable for his/her share in the capital.

ARTICLE (14):

The ownership of shares shall imperatively entail acceptance of the Articles of Association of the Company, the decisions, regulations, and systems of its general assembly, and the Board of Directors decisions.

ARTICLE (15):

The Company's funds shall not be seized because of debts on a shareholder or his/her heirs. The creditors, however, may seize the share and its profits under a court order.

ARTICLE (16):

Each share shall provide its holder with an equal share to any other shareholder without any discrimination in the ownership of the Company's assets and the profits distributed in the manner explained hereafter.

ARTICLE (17):

The last owner of shares in the Company's register shall have the sole right to receive the amounts due, be these from the profits or the assets of the Company.

ARTICLE (18):

Subject to the provisions of the applicable Commercial Companies Law, the Company's General Assembly may issue loan debentures, and the decision shall explain the debenture value, issuance conditions, share transferability provided that the debentures value should not exceed (%5) of the actual capital.

The General Assembly may authorize the Board of Directors to determine the amount and conditions of loans. The decision of the General Assembly to issue debentures shall not be implemented before the prior approval of the Ministry of Industry and Trade after registering the decision in the Commercial Register.

ARTICLE (19):

With consideration to the provisions of the law, the extraordinary General Assembly may increase the capital with the same nominal value of original shares. Those shares may be issued with an issuance bonus to be added to the legal reserve even if the reserve exceeds half of the Company's capital.

The original shareholders have the priority in the new subscription provided that an original shareholder expresses his desire to use his priority in subscribing in the new shares within fifteen days from the statement publication in any of the daily newspapers stating the shareholders priority in subscription or after they receive registered letters notifying them of the new subscription.

ARTICLE (20):

The new shares shall be distributed among the original shareholders who requested subscription in the new shares as per their requests if the requests do not exceed the number of shares offered for subscription. If the requests exceed the number of shares offered for subscription, the shares shall be distributed among the original shareholders according to their share percentage but not to exceed the number of new shares requested by a shareholder.

ARTICLE (21):

Subject to the applicable Commercial Companies Law and in light of the Company's financial auditor, the capital may be, if necessary, decreased when it exceeds the Company's needs or in case of losses and it is necessary to decrease the capital to lower than the legally specified minimum but that shall be under a decision by the extraordinary General Assembly and endorsed by the Minister of Industry and Trade.

SECTION THREE

Company's Management

ARTICLE (22):

The Company shall be managed by the Board of Directors which shall be comprised of eleven members. The representation in the Board of Directors shall be as follows:

- A- Public Telecommunications Corporation (PTC) represented by five members to include the President of the Board of Directors to be named by the Minister of Telecommunications, the President of PTC Board of Directors.
- B- One member representing the employees to be selected by the employee shareholders.
- C- Three members representing authorities, corporations, and insurance funds to be selected by those organizations.
- D- One member representing the subscriber citizens to be selected by the General Assembly from the shareholder citizens.
- E- One member representing subscribers from private companies and the like to be selected by the General Assembly from the shareholder companies.

ARTICLE (23):

The term of the Board of Directors membership shall be three years renewable for one term. If the position of one or more members of the Board of Directors becomes vacant, the applicable Commercial Companies Law and the Articles of Association provisions shall be applied in selecting the replacement member or members. In all cases, the new member shall continue the term of the predecessor.

ARTICLE (24):

The Board of Directors Tasks

The Board of Directors shall have full authorities in supervision, guidance, policy formulation, and plans and programs approval that aim to achieve the Company's purposes, and shall particularly:

- 1- Formulate the necessary policies to steer the Company.
- 2- Approve internal laws and regulations to organize the Company's work, and determine the responsibilities, rights, and duties of the workers as per the applicable laws and the Articles of Association, and approve the organizational regulations, and the financial and administrative regulations of the Company.
- 3- Approve the investment plans, and the different annual activities and monitor their implementation.
- 4- Decide on the contracts signed by the Company with any party which are not under the authorities of the executive management as authorized by the Board of Directors.
- 5- Approve the studies and recommendations that develop the Company's functions.
- 6- Endorse the Company's annual financial plans and follow up its implementation.
- 7- Prepare the financial statements to be presented along with the accounts auditor report to the General Assembly.
- 8- Endorse the Company's services tariff.
- 9- Appoint the Company's executive director and approve the appointment of the Company's main directors and determine their authorities, duties and wages.
- 10- Establish a control and inspection unit under the Board of Directors to present periodical reports to the Board of Directors. The internal bylaws shall define the tasks and responsibilities of this unit.

ARTICLE (25):

The tasks of the Chairman of the Board of Directors:

The Chairman of the Board of Directors shall supervise the Company's business and shall particularly exercise the following tasks:

- 1- Invite for convening the Board of Directors in the specified dates and define its agenda.
- 2- Follow up the implementation of the Board of Directors decisions and prepare the

necessary reports when implemented in the specified times.

- 3- Invite to convene the Board of Directors in accordance with the provisions provided in the Law.
- 4- Provide periodical reports to the Board of Directors on the ongoing works and the level of implementation according to the formulated plans and programs.
- 5- Sign the contracts and obligations that the Company enters in with other parties within the authorities authorized to him by the Board of Directors.
- 6- Represent the Company before the judicial bodies and he may authorize others to do so.
- 7- Propose the appointment of accounts auditors in the General Assembly.

ARTICLE (26):

The Chairman of the Board of Directors shall sign alone on behalf of the Company within the authorized powers. In case of the absence of the chairman of the Board of Directors, he may authorize a member of the Board of Directors to perform these tasks.

ARTICLE (27):

The Board of Directors shall meet upon the request of the chairman of the Board of Directors or upon the request of at least three members. The Board of Directors shall convene at least six sessions during the fiscal year or when required. No two months shall pass without a meeting for the Board of Directors.

If the chairman or any other member of the Board of Directors misses four consecutive sessions or this same number of sessions within six months without an acceptable excuse, this member shall be considered resigned, and this issue shall be referred to the body that selected the member or the body he/she represents to nominate or elect a replacement.

ARTICLE (28):

The meeting of the Board of Directors shall be valid only if attended by at least eight members. A member of the Board of Directors may not vote on behalf of another when voting on the Board of Directors decisions. Voting by correspondence shall not be valid. The executive director may attend the Board of Directors meetings without the right of voting.

ARTICLE (29):

The Board of Directors decisions shall be issued by the majority of the present voters. In case of a tie vote, the chairman shall be the tiebreaker. A register shall be allocated to record the Board of Directors meetings minutes and shall be signed by the chairman. An opponent member may record his/her opinion in the minutes.

ARTICLE (30):

The Board of Directors shall have the necessary authorities to perform the duties that achieve the Company's purpose except for the explicit duties contained in the Articles of Association exclusively to the General Assembly. Upon a prior approval by the extraordinary General Assembly, the Board of Directors may approve loans, sell any of the Company's real estate, and make redemption in a way that achieves the Company's interest.

The donations shall be handled within (%5) of the average net profits of the past three years in accordance with the Articles of Association and the Law.

ARTICLE (31):

The Company shall not be committed to the actions and behaviors of the Board of Directors if those actions are not within the purpose of the Company.

ARTICLE (32):

Subject to the applicable Commercial Companies Law, the ordinary General Assembly shall define the remuneration of the chairman and members of the Board of Directors; and the Board of Directors shall define the salary of the executive director.

ARTICLE (33):

The chairman or a member of the Board of Directors shall not be a member of a board of directors of a similar or competitive company, a dealer in a similar or competitive trade to the Company's business, has a direct or indirect interest in the contracts or deals signed with or for the Company, or has an interest that contradicts the Company's interests unless any of this is specifically licensed by the General Assembly. The members of the Board of Directors shall not disclose, in their individual capacity, to the shareholders or others any of the Company's secrets they came to know about as they exercise their work in the Board of Directors. If such disclosure takes place, the member(s) shall be fired with imposing compensation on them.

ARTICLE (34):

The chairman of members of the Board of Directors shall be accountable towards the Company, the shareholders, and others for any actions of cheating, authority misuse, or any violation to the law or to the Articles of Association or mismanagement. This shall not be precluded by claim of responsibility proposed by the General Assembly and discharge the liability of the Board of Directors.

ARTICLE (35):

The tasks of the Company's executive director:

The executive director shall be responsible for all the Company's business, and shall take all the appropriate measures and actions, and everything that would promote and develop the Company's activity and achieve its purpose, and shall particularly:

- 1- Implement the Board of Directors decisions.
- 2- Issue instructions and bulletins to organize the Company's activity.
- 3- Propose Company's activity plans and present them to the Board of Directors for approval and ensure implementation.
- 4- Issue decisions and orders to the workers and propose appointments and promotions within the authorized powers.
- 5- Imposing sanctions on the violating workers as per the internal regulations approved by the Board of Directors.
- 6- Periodically meet with the Company's workers to discuss the plans and programs related to the Company's activity.
- 7- Prepare and implement the training and qualifying programs for workers.
- 8- Supervise and monitor the daily business and prepare periodical reports and present them to the Board of Directors on the performance level and the business problems and propose the appropriate solutions.
- 9- Take all the necessary measures and actions to ensure fulfilling the Company's commitments to the others and redeem the Company's rights from the others.
- 10- Implement all the functions and responsibilities tasked upon him by the chairman of the

- Board of Directors or the Board of Directors within the limits of his authorized powers.
- 11- Propose the plans and programs that ensure the development of the Company's business and improve its performance.
 - 12- Work on organizing a complete financial unit to manage and implement all the financial transactions and document the Company's activity to reserve the rights and property of the Company according to the latest accounting systems in this field.

SECTION FOUR
The General Assembly
First: General Provisions

ARTICLE (36):

The General Assembly shall represent all the shareholders and It is the highest authority in the Company.

ARTICLE (37):

Every shareholder shall have the right to attend the General Assembly meetings in person or by attorney. Appearance by attorney to the General Assembly shall be specified to a specific meeting and in writing, and a shareholder may not ask members of the Board of Directors to attend the General Assembly meetings on his/her behalf. In all cases, an attorney may not hold under this capacity more than (%5) of the Company's capital shares.

Except for legal personalities, a shareholder, in person or attorney, may not represent more than (%10) of the votes of the shares represented in the meeting.

ARTICLE (38):

Before the General Assembly meeting by at least one week, a register shall be opened to record the names of the shareholders desiring to attend the General Assembly meeting and the number of the shares for the shareholder in person or attorney. The shareholder shall be given a card to write down the number of votes he/she represents under the supervision and signature of a Board of Directors member and under the responsibility of the Board of Directors.

Second: The Constitutive General Assembly

ARTICLE (39):

The constitutive General Assembly shall convene within (15) days from the subscription closing date upon an invitation by the founders or the Minister of Industry and Trade if the founders did not initiate the invitation within the mentioned period. The invitation shall be published in at least one daily newspaper.

The invitation may be sent in writing to all the shareholders. The constitutive General Assembly shall be valid if the attended subscribers represent at least (%75) of the capital. If the first meeting is not attended by the mentioned quorum, an invitation for another meeting shall be made within (15) days from the date of the first meeting provided that the period between this invitation and the meeting date shall not be less than (15) days. The second meeting shall be valid if attended by a number of subscribers representing at least (%70) of the capital.

The constitutive General Assembly decisions shall be valid by the vote of (%70) of the attendees.

The constitutive General Assembly shall look into:

- 1- The founders report on the Company's association operations and the related expenses.
- 2- The approval of the association contract and the Articles of Association.
- 3- The approval of the in-kind shares evaluation as presented by the legal accountant.
- 4- The election of the first Board of Directors members.
- 5- The appointment of the Company's first accounts auditors.

In each case, Articles (79 and 81) of the Commercial Companies Law shall be considered.

In the first meeting, the constitutive General Assembly shall be chaired by the oldest attending member in age. The constitutive General Assembly shall select a secretary from the attending members.

Third: The Ordinary General Assembly

ARTICLE (40):

The General Assembly shall be convened by an invitation from the chairman of the Board of Directors in the place, day, and hour specified in the invitation announcement. The General

Assembly shall convene at least once a year during the four months before the end of the Company's fiscal year, and shall particularly meet for the following purposes:

The tasks of the ordinary General Assembly:

- 1- Listen to the Board of Directors report and approve it.
- 2- Listen to the accounts auditor's report and approve it.
- 3- Approve the financial statements.
- 4- Approve the distribution of profits among the shareholders.
- 5- Discharge liability of the chairman and members of the Board of Directors for their legal actions in managing the Company.
- 6- Define the remunerations of the members of the Board of Directors.
- 7- Elect the Board of Directors members representing the shareholders from the private sector, individuals, and citizens.
- 8- Appoint an accounts auditor for the new fiscal year and define his wage or delegate the Board of Directors to do so.
- 9- Any other issues that may improve the Company's activity.

ARTICLE (41):

The Board of Directors may decide on inviting for a General Assembly meeting when needed. The Board of Directors shall also invite for a General Assembly meeting if requested by the accounts auditor or by a number of shareholders representing (%10) of the Company's capital provided that they have serious reasons that justify the request and that the request is in writing and explains the reasons that they think require a invitation for an ordinary General Assembly meeting.

The Ministry of Industry and Trade may invite for an ordinary General Assembly meeting if one month passes from the specified meeting date without convening, or if the accounts auditor or a number of shareholders, as per the above circumstances, request the Ministry to invite for a meeting. In all cases, the expenses of the meeting invitation shall be borne the Company.

ARTICLE (42):

In all cases, the invitation of the shareholders to the General Assembly shall be published in at

least one daily newspaper, and shall be published at least fifteen days before the meeting date. However, the invitation may be sufficient by sending registered letters to all shareholders within the mentioned period.

ARTICLE (43):

The announcement of the General Assembly meeting shall contain the agenda that would be prepared by the Board of Directors. The General Assembly shall be committed to the agenda provided that every shareholder may ask any questions, and the Board of Directors shall respond to the shareholders questions in the way that does not expose the Company's interest or any other authority or the public interest to risk. If a shareholder thinks that the response to his question is not sufficient, he/she may resort to the General Assembly whose decision shall be enforceable.

ARTICLE (44):

The General Assembly shall be chaired by the chairman of the Board of Directors. In case of the chairman's absence, the Board of Directors shall appoint a member for this task. The General Assembly shall appoint a secretary from the shareholders. If the General Assembly is discussing an issue related to the meeting chairman, the General Assembly shall select from the shareholders one person to chair the meeting.

ARTICLE (45):

If the Board of Directors neglects the invitation of the convening the General Assembly as per the conditions set out in the Law or the Articles of Association, the accounts auditor shall make the invitation. The accounts auditor shall invite for the General Assembly to convene when it is necessarily needed, and in this case, the accounts auditor shall make the agenda and publish it and announce the meeting according to Article (181) of the Law.

ARTICLE (46):

The meeting of the General Assembly shall be valid if attended by shareholders who represent at least (%75) of the Company's capital. If the minimum for meeting is not met in the first meeting, an invitation shall be made for another meeting to be convened within thirty days from the first meeting. The second meeting shall be valid if attended by representatives of (%70) of the

Company's capital. If the quorum is not met in the second meeting, the General Assembly invitation for a third shall be postponed for a month within fifteen days following the second meeting.

The third meeting shall be valid regardless of the represented shares. The General Assembly decisions shall be approved with the majority of (%70) of the represented shares in the meeting.

ARTICLE (47):

In all cases, the General Assembly shall not discuss other issues than those listed in the agenda. However, the General Assembly may discuss the serious facts that are revealed during the discussion.

ARTICLE (48):

Each shareholder shall have a number of votes in the General Assembly that is equal to his/her number of shares. The General Assembly decisions shall be approved by the majority of (%70) of the shares represented in the meeting. The voting in the General Assembly shall be conducted by public voting unless the voting is related to electing or removing the members of the Board of Directors or holding them accountable and in these cases, the voting shall be secret. Secret voting shall also be applied if the chairman of the Board of Directors or at least (%10) of the attending shareholders request it.

The chairman of the General Assembly shall announce a decision wins by the respective majority, fails to secure the required majority, or wins unanimously. This announcement shall be definitive and shall not be appealed in the same announcement session.

Fourth: The Extraordinary General Assembly

ARTICLE (49):

The provisions of the ordinary General Assembly shall apply on the extraordinary General Assembly except for the provisions provided in the Law and this Article of Association for the extraordinary General Assembly.

ARTICLE (50):

The extraordinary General Assembly shall convene only upon the invitation of the Board of

Directors. The Board of Directors shall make such invitation if requested by a number of shareholders representing (%25) of the capital for serious reasons. The articles of the agenda shall be contained in the invitation to the shareholders. No other issues than those in the invitation shall be discussed. If the Board of Directors does not make the invitation for the General Assembly within fifteen days, the requesting shareholders may request the Ministry of Industry and Trade to make the invitation, and the Ministry of Industry and Trade shall make the invitation for convening the General Assembly.

ARTICLE (51):

The extraordinary General Assembly meeting shall be valid only if attended by shareholders representing at least (%80) of the capital. If the minimum is not met in the first meeting, another invitation shall be made within the following thirty days of the first meeting. The second meeting shall be valid if attended by shareholders representing at least (%75) of the capital.

ARTICLE (52):

The extraordinary General Assembly decisions shall be approved by the majority of (%70) of the capital shares unless the decision is related to the increase or decrease of the capital, extending the Company's term, resolving the Company before the end of the term, or merging the Company with another company or authority in which the decision shall be valid if approved by the majority of (%75) of the capital shares.

ARTICLE (53):

The extraordinary General Assembly may make decisions under the powers of the ordinary General Assembly.

ARTICLE (54):

The extraordinary General Assembly tasks:

- 1- Increase or decrease the Company's capital.
- 2- Amend the Articles of Association.
- 3- Merge the Company with another company or corporation, dissolve the Company before the end of the term, or extend the Company's term.
- 4- Subject to Article (111) of the Law, the extraordinary General Assembly shall make

amendments to the Articles of Association except for:

- The amendments that may increase the burdens of the shareholders.
 - Amendment of the main purpose of the Company.
- 5- Any provisions in the Articles of the Association other than those provided in this Article shall be considered null and void.

ARTICLE (55):

The General Assembly decisions issued in accordance with the Commercial Companies Law and the Articles of Association shall be binding to all the shareholders including those absent or have a different opinion.

SECTION FIVE

Government Control and Accounts Inspector

ARTICLE (56):

- A- The Company shall be subject to the control of the Government represented by the Ministry of Industry and Trade as per the applicable Commercial Companies Law.
- B- The Ministry of Industry and Trade shall be sent a copy of the invitation to the different kinds of shareholder General Assembly meetings in order to send a representative.
- C- The Board of Directors shall send to the Ministry of Industry and Trade in every fiscal year a copy of the following documents:
- 1- A list of the names, nationalities, and age of the Board of Directors, the executive director and the names of their spouses and kids, and the number of shares and bonds they own.
 - 2- The name of the accounts auditor and his payment, and his or his wife or his children ownership of the Company's shares and bonds statement.
 - 3- The Company's financial statements, the Board of Directors report, and the accounts auditor's report at least one month prior to the meeting of the General Assembly.
 - 4- The meeting minutes of the Board of Directors and the General Assembly and the decisions taken within fifteen days from the end of each meeting.

D- The Ministry's representative shall sign on the copies of the General Assembly meeting minutes and present a report to the Ministry supported by one of the mentioned copies or a minute summary.

ARTICLE (57):

The Company shall have one or more accounts auditor appointed by the General Assembly for one renewable fiscal year. The General Assembly shall define the auditor's remunerations. The accounts auditor shall be responsible for the validity of the data in his report, and shall be responsible before the Company for damage compensation. An accounts auditor shall not be a member of the Company's incorporation or the Board of Directors or perform any technical or administrative job.

ARTICLE (58):

The accounts auditor may at all times review all the Company's books and registers and other documents, and may request information and explanations which he deems necessary. The accounts auditor may also investigate the Company's assets and commitments. The Board of Directors shall facilitate these to the auditor. If unable to use these powers, the accounts auditor shall write this in a report to the Board of Directors and reviewed by the General Assembly, and the auditor may make an invitation for the General Assembly meeting for this purpose.

ARTICLE (59):

The accounts auditor may not disclose to the shareholders, other than in the General Assembly meetings, or others any of the Company's secrets he came to know about when performing his functions otherwise he shall be fired and obliged to make a compensation.

ARTICLE (60):

The accounts auditor shall present to the General Assembly a report on the Company's financial situation, the clarity level in the accounts, whether the books are systematically organized, and a proposal to endorse the financial statements absolutely or reservedly or returning them to the Board of Directors. The report shall also include the stance of the Board of Directors in relation to his ability to access the information and data he requests, and shall mention in the report any violations to the provisions of the Law or the Articles of the Association. The report of the

accounts auditor shall be recited in the General Assembly, and every shareholder may discuss the report and request explanations on the contents of the report. If the General Assembly decides to approve the Board of Directors report without listening to the accounts auditor's report, the General Assembly decision shall be void. The accounts auditor shall be responsible for the validity of the information contained in his report as an agent for the shareholders.

SECTION SIX

The Company's Finance

ARTICLE (61):

The Company's fiscal year shall commence on January 1st and shall end on December 31st of every year with an exception for the first fiscal year which will commence from the date of the ministerial decree on licensing the Company and giving the permission to start its activity.

ARTICLE (62):

The Board of Directors shall prepare financial statements for each fiscal year within two months at maximum from the date of the end of the fiscal year. At least one month prior to the convening of the General Assembly, the Board of Directors shall also prepare a report on the Company's activity in the past fiscal year, the financial situation, and the method proposed for distributing the profits resulting from that fiscal year. The financial statements shall be clear and consistent with the Law provisions. The chairman of the Board of Directors shall publish the financial statements, the Board of Directors' report summary, and the full text of the accounts auditor's report in an official newspaper at least fifteen days prior to the convening of the General Assembly.

Copies of the abovementioned documents may be sent to the major shareholders by registered mail at least fifteen days before the convening of the General Assembly.

ARTICLE (63):

Without prejudice to the provisions of the applicable Commercial Companies Law, the Board of Directors shall put aside in every year (%10) of the net profits to be a legal reserve. The General Assembly may stop putting aside such reserve if it reaches half of the paid capital.

The legal reserve shall be used in covering for the Company's losses or increasing the capital.

ARTICLE (64):

Without prejudice to the applicable Commercial Companies Law, the earned profits shall be distributed by a General Assembly decision based on a proposal from the Board of Directors according to the following order:

- 1- Zakat and due taxes shall be excreted from the earned profits in accordance with the Law.
- 2- The legal reserve any other reserves for the interest of the Company shall be excreted according to the approved percentages in the Law and the Articles of Association.
- 3- The General Assembly shall define the remunerations of the Board of Directors members provided that they do not exceed the limits set by the Commercial Companies Law.
- 4- The remaining profits shall be distributed among the shareholders according to their share percentage.

ARTICLE (65):

The profits shall be paid to the shareholders in the place and times specified by the Board of Directors within two months at most from the date of the General Assembly decision to distribute the profits.

SECTION SEVEN

Disputes

ARTICLE (66):

Without prejudice to the rights of the shareholders, the disputes affecting the public interest or the interest of the Company against the Board of Directors or one or more of its members shall only be filed by the name of the group of shareholders under a decision by the General Assembly. Any shareholder who wishes to file a dispute of this kind shall notify the Board of Directors at least one month prior to the convening of the General Assembly. The Board of Directors shall list this proposal in the General Assembly agenda.

If the General Assembly refuses this proposal, the shareholder may not resubmit it under his

name. If the proposal is approved, the General Assembly shall appoint one or more representatives to investigate the claim, and all the official announcements shall be directed to those representatives.

SECTION EIGHT

Dissolution and Liquidation of the Company

ARTICLE (67):

- A- The Company shall be dissolved by the end of the legal term unless the extraordinary General Assembly approves the extension of the term.
- B- The Company may be dissolved before the end of the term if the accumulated losses exceed half of the Company's capital unless the extraordinary General Assembly decides otherwise. If the extraordinary General Assembly refuses to dissolve the Company, every shareholder may file a case to dissolve the Company. If the court rules to reject the case of dissolution, the Board of Directors shall make an invitation to the extraordinary General Assembly to convene within a month from the date of the final ruling to approve the increase of the capital.

ARTICLE (68):

If the Company is dissolved by the end of the term or if it is dissolved before the end of the term, the General Assembly shall appoint one or more liquidator and define their powers. The authority of the Board of Directors shall end with the appointment of the liquidator(s). The authority of the General Assembly shall remain existent until the liquidation of the Company is completed and the onus of the liquidators is cleared in accordance with the provisions of the Commercial Companies Law.

SECTION NINE

Final Provisions

ARTICLE (69):

If the percentage offered for subscription is not fully subscribed by the citizens, companies, and

employees by the period specified in the Law, the remaining subscription percentage shall be distributed among those who wish from the founders as per their percentage in the capital.

ARTICLE (70):

Any rights or commitments to other parties before the issuance of the Minister of Industry and Trade decree to license the Company to perform its activity shall be under the responsibility of the Public Telecommunications Corporation. After that, it shall be under the responsibility of Yemen Mobile.

ARTICLE (71):

The Public Telecommunications Corporation (PTC) shall reserve the right to ownership of the services of the land phone and country telecommunications in Yemen Mobile. The capacities that PTC would reserve and the rental value shall be identified in a two-party agreement to provide this service and define all the rights and commitments and the technical and financial aspects of the two parties.

ARTICLE (72):

Yemen Mobile shall rent correspondence paths from the existing correspondence network of the PTC according to a separate rental contract between the two parties. Yemen Mobile may partially or fully establish a correspondence network to connect its stations when this is deemed necessary for its interest.

ARTICLE (73):

All expenses, costs and charges paid for the sake of the Company's incorporation shall be deducted from the issuance expenses and general expenses account of the Company.

ARTICLE (74):

The applicable Commercial Companies Law shall be applied for anything not mentioned in the Articles of Association.

ARTICLE (75):

The Articles of Association and the incorporation contract shall be kept at the Ministry of Industry and Trade (Department of Companies and Commercial Register), and shall be published in the official gazette in accordance with the Law provisions.

Verily Allah is the Arbiter of Success

S	Name of founder and of representative	ID number	Issuance Date	Issuance Place	Signature
1	Public Telecommunications Corporation represented by Eng. Kamal Hussein Al-Jabri, PTC General Director				
2	General Authority for Security and Pensions represented by Dr. Abdul Hamid Mane' Al-Saih, GASP Director Deputy				
3	General Corporation for Social Security represented by Mr. Abdul Malik 'Alama, GCSS Director				
4	Pension Fund and Social Security, Ministry of Defense represented by Mr. Mohammed Muqbil A'wn, Director of Pension and Social Security Department	9151	7/5/2003	Officers Personnel, Ministry of Defense	
5	Pension Fund and Social Security, Ministry of Interior represented by Brigadier Dr. Mohammed Ali Al-Sharafi, Director of Pension Department	781	11//2/1998	Ministry of Interior	
6	Yemeni Economic Corporation represented by Brigadier Ali Mohammed Al-Kuhlani, YEC General Director				
7	Postal Savings Fund represented by Mr. Abdul Latif Abu Ghanim, Deputy Director of Public Authority of Post and Postal Savings	8977	29/5/2006	Capital Secretariat	

The Articles of Association are approved by the Constitutive General Assembly on 14/12/2006 under the attached General Assembly minute.