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The Articles of Association
The Company for Cooperative Insurance (Tawuniya)

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The Company for Cooperative Insurance (Tawuniya)
(A Saudi Joint Stock Company)

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Ordinary General Assembly held on 23/06/2024)

Articles of Association
The Company for Cooperative Insurance
A Saudi Joint Stock Company

CHAPTER (1)
Company Incorporation

Article (1): Incorporation
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A Saudi Joint Stock Company shall be set up in accordance with the Cooperative Insurance Companies Supervision Act and its Implementing Regulations, the Companies Act, the Capital Market Law, and its Implementing Regulations and in conformity with these Articles of Association among holders of shares governed by the rules stipulated hereinafter.

Article (2): Company's name
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The Company for Cooperative Insurance, a Saudi Shareholding Company.

Article (3): Purpose
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To transact insurance business, cooperative insurance operations in the general insurance, health insurance, protection and saving insurance (in accordance with the License to transact insurance business issued by the Insurance Authority). The Company may, at its discretion, undertake all activities as may be required to achieve its objectives. The Company shall carry out all aforesaid activities in accordance with the Cooperative Insurance Companies Supervision Act and its Implementing Regulations as well as the laws and regulations issued by the Insurance Authority, the laws and regulations prevailing in the Kingdom of Saudi Arabia after obtaining the necessary licenses from the competent authorities, if any.

Article (4): Participation and ownership in companies
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The Company may establish limited liability companies, or a one-person shareholding company and it may own stocks and shares in other existing companies or to merge with them. The Company shall have the right to participate with others in the incorporation of joint stock companies or limited liability companies, provided that the companies it establishes, participates in or merge with are transacting similar business activities or financial business that helps it in achieving its purpose - after fulfilling requirements stipulated by virtue of the laws and regulations applicable in this regard, and after obtaining the approval of the Insurance Authority.

Article (5): Head Office
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The Head Office of the Company shall be in Riyadh city in the Kingdom of Saudi Arabia. The Company may, by a decision of the Extraordinary Ordinary General Assembly, transfer the Head Office to any other city in the Kingdom of Saudi Arabia with approval of the Insurance Authority. The Company may also set branches,

offices, or agencies inside or outside the Kingdom of Saudi Arabia after obtaining the approval of the Insurance Authority.

Article (6): Duration of the Company
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The duration of the Company shall be ninety-nine (99) years as from the date of its registration in the Commercial Register. The duration may be extended by resolution of the Extraordinary General Assembly taken, at least, one year prior to the expiration of the ninety-nine-year period.

CHAPTER (2)

Capital and Shares

Rules the Company Adheres to in Transacting Defined Business and Purposes

Article (7): Investments of the Company
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The Company shall invest the funds collected from the Reinsured and the Company's Shareholders as per the rules set out by the Board of Directors that do not contradict with the Law on Supervision of Cooperative Insurance Companies, its Implementing Regulations and other related regulations and directions issued by Insurance Authority or any other relevant and competent entity.

CHAPTER (3)

Capital and Shares

Article (8): Capital
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The Capital of the Company stands at SR 1,500,000,000 (One Billion Five Hundred Million Saudi Riyals) divided into 150,000,000 (One Hundred Fifty Million) shares carries equal nominal value of SR 10 (Ten Saudi Riyals) for each share, all of which are ordinary shares and in cash.

Article (9): Shares Subscription
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The Company's whole capital amounting to SR 1,500,000,000 (One Billion and Five Hundred Million Saudi Riyals) has been subscribed for by the promoters, and the value has been fully paid in cash.

Article (10): Shareholders Register
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The Company's shares shall be traded as per the Capital Market Authority's Rules and Implementing Regulations.

Article (11): Share Issuance
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1. Stock shares shall be nominal, and shares may not be issued at less than their nominal value but may higher. In this case, the difference in value shall be prescribed in a separate provision within shareholders' rights. A share shall not be divisible when dealing with the

Company. If a share happens to be held by several persons, they shall designate one person to represent them in the usage of rights in connection with such share. All persons involved shall be jointly responsible for obligations resulting from share ownership.

2. The Company may, after obtaining the No Objection of the Insurance Authority, purchase and sell its shares, in accordance with the Company bylaw and controls issued by the supervisory and regulatory authorities. In all cases, the shares purchased by the Company do not have votes in the shareholders' assemblies.
3. The Company may, after obtaining the No Objection of the Insurance Authority, purchase its shares for the purpose of allocating such shares to the Company employees as part of an employee shares program in accordance with the guidelines and conditions issued by the regulatory authorities. In all cases, the shares purchased by the Company do not have votes in the shareholders' assemblies.

Article (12): Increase of Capital

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1. The Board of Directors may adopt a resolution to increase the Company's issued share capital – within the limits of authorized capital - provided that the issued capital is fully paid.
2. The Extraordinary General Assembly may decide to increase the company's issued or authorized capital – if any – after obtaining the approval of the Insurance Authority and the Capital Market Authority, provided that the issued capital has been paid in full. It is not required that the issued capital has been paid in full if the unpaid portion of the capital is due to shares issued in exchange for converting debt instruments or financing certificates (sukuk) into shares and the period set for their conversion has not yet expired.
3. In all cases, the Extraordinary General Assembly may, upon increasing capital, allocate issued shares or a part thereof to the company's employees or any of its subsidiaries. Shareholders may not exercise preemptive rights when the company issues shares allocated for employees.
4. In all cases, the nominal value of the increase shares must be equal to the nominal value of the original shares of the same type or class.
5. Shareholders - at the time of issuing the General Assembly's decision to approve the increase in the issued capital or the Board of Directors' decision to approve its increase within the limits of the authorized capital -shall have pre-emptive rights to subscribe for the new cash shares. The shareholders shall be notified of the pre-emptive rights vested in them, if any, by publishing in the web site of the Capital Market Authority (Tadawul), notifying them by registered mail to their address listed in the shareholders' register, or through modern technology means, addressing the capital increase resolution, the conditions of subscription and the period of subscription.
6. The Extraordinary General Assembly may suspend the shareholder's pre-emption rights in a cash capital share or grant them to others if it considers it realizing the Company's best interest.
7. A shareholder may sell or assign its pre-emption right during in accordance with the relevant regulations set by the Capital Market Authority (CMA).

Article (13): Decrease of Capital

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1. The Extraordinary General Assembly may decrease the Company's Capital if it exceeds the Company's needs or if the Company suffers losses – after obtaining the ratification of the Insurance Authority and the Capital Market Authority – provided that the capital paid up to the insurance company after decreasing the Capital shall not be less than (100) One Hundred Million Saudi Riyal and the capital paid up to the re-insurance company or insurance company transacting at the same time reinsurance business shall not be less than (200) Two Hundred Million Saudi Riyals. The resolution for the decrease of Capital shall be adopted only after a reading of statement prepared by the Board of Directors setting for the reasons necessitating such decrease, the liabilities of the Company, and the effect of the decrease on these liabilities. A report from the Company Auditor must be attached with this statement.
2. If the decrease of Capital is due to an excess in Capital over the Company's need, the creditors must be invited to express their objections within at least forty-five (45) days from the date set for holding the extraordinary general assembly meeting to take the resolution for decrease provided the invitation is accompanied by a statement clarifying the amount of the capital before and after the decrease. Should any creditor object to such decrease and present to the Company, within the time limit set above, the evidentiality, then the Company shall pay off such debt, if already due, or present an adequate guarantee of payment if the debt is due on a later date.
3. The creditor who submitted his request within the period stipulated in Subsection (2) of this article shall not claim the decrease unless he has satisfied what has become due of his debt or obtained sufficient guarantee to satisfy what has not become due of it.

CHAPTER (4)

Board of Directors

Article (14): Company's Management

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The Company shall be managed by a Board of Directors composes of nine (9) members who must be natural persons elected by the Ordinary General Assembly for a period not exceeding four (4) years. The formation of the Board shall reflect reasonable representation of independent members, and in all cases the number of independent members shall not be less than two members or one third of the total Board members, whichever is more. As an exception, the constitutional assembly shall appoint the first Board for a term not exceeding three (3) years starting from the date of Ministry of Commerce decree for incorporating the Company.

Article (15): Termination of Board Membership

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1. Membership on the Board of Directors shall be cease at the expiry of the term, resignation, member's death, absence for three consecutive meetings or five separate meetings during his membership term with no acceptable and justifiable reason or if it is proved to the Board of Directors that the member had breached his duties in a manner that causes harm to the Company's interest, provided that the Ordinary General Assembly supports the Board decision to terminate the membership of such member, or

upon expiry of his membership in accordance with any law or regulations prevailing in the Kingdom, or if he declared bankrupt or insolvent or submitted a compromise settlement to his creditors, or ceased to pay his debts, or loses competency or becomes mentally unsound, or if he is exposed to disability rendering him unable to perform his duties in the Board properly, or if is convicted for committing dishonesty act, fraud or immoral turpitude by a final verdict.

2. The Ordinary General Assembly may, at any time, remove all or some of the Board members. In this case, the General Assembly shall elect a new Board of Directors or replace the dismissed member (as the case may be), in accordance with the provisions of the Companies Law and its Executive Regulations.
3. Upon receipt of a request from one or more shareholders representing (10%) of the company's shares with voting rights to dismiss all or some of the members of the Board of Directors in accordance with the provisions of Article Ninety of the Law of Companies, the Board of Directors must include in the invitation to hold the Ordinary General Assembly the name of the requester and the justifications for the request. The concerned member has the right to make a statement regarding the request at the relevant Ordinary General Assembly meeting.
4. If a member of the Board of Directors resigns and has observations on the Company's performance, he shall submit a written statement thereof to the Chairman of the Board of Directors, and this statement shall be presented to the members of the Board of Directors.
5. The Insurance Authority shall be notified upon the resignation of any member of the Board or the termination of his membership for any reason other than the end of the Board session, within five (5) working days from the date of leaving work, taking into account the relevant disclosure requirements.

Article (16): Board Vacant Positions

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1. The Board of Directors shall, before the end of its term, call for the Ordinary General Assembly to convene to elect a Board of Directors for a new term. If the election cannot be held and the current Board's term ends, its members shall continue to perform their duties until a new Board of Directors is elected, provided that the term of the expired Board does not exceed ninety (90) days from the date of the end of the Board's term, and the Board of Directors must take the necessary measures to elect a Board of Directors to replace it before the expiry of the term specified in this Subsection .
2. If the chairman and members of the Board of Directors resign, they must call for the Ordinary General Assembly to convene to elect a new Board of Directors, and the resignation shall not be effective until the new Board is elected, provided that the term of the resigned Board does not exceed one hundred and twenty (120) days from the date of such resignation, and the Board of Directors must take the necessary measures to elect a Board of Directors to replace it before the expiry of the specified term of continuity.
3. A Board member may resign from the Board's membership by written notice addressed to the chairman of the Board, and if the chairman of the Board resigns, the notice must be addressed to the remaining Board members and the Board Secretary, and the dismissal shall be effective – in both cases – from the date specified in the notice.

4. Where the office of a Director becomes vacant in the event of the death or retirement of any of its directors, and if this vacancy does not result in a breach of the conditions necessary for the validity of the Board's meeting due to the number of its members being less than the minimum quorum, the Board may – temporarily – appoint a director who has sufficient experience and qualification to fill the vacancy after obtaining, after obtaining the non-objection of the Insurance Authority, provided that the Commercial Register is notified to that effect, as well as the Capital Market Authority within fifteen (15) days from the date of such appointment. Such appointment must be laid before the first General Assembly meeting. The new director shall complete the unexpired term of his predecessor.

Article (17): Powers of the Board

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1. With due regard to the prerogatives vested in the General Assembly, the Board of Directors shall have broadest powers in managing the Company to achieve its objectives with the exception of acts and actions excluded by special provision in the Companies Law or these Articles that fall within the jurisdiction of the General Assembly. The Chairman of the Board of Directors may , for instance but not limited to:

represent the Company in its relations before the third parties, governmental and semi-governmental authorities and private bodies, all Sharia courts, administrative courts (Board of Grievances), commercial courts, labor courts, Labor Offices, preliminary and supreme committees for the settlement of labor disputes, and all judicial committees including, for instance but not limited to, the Committees for Commercial Papers, the Committees for the Resolution of Financial Disputes, the Committees for Resolution of Securities Disputes, the Committee for Resolution of Commercial Disputes, the Customs Committees, the Commercial Fraud Committees, the Committees for the Resolution of Violations Related the Law of Transacting Health Professions, the Committee for Considering the Violations of Health Institutions Law, the Committees for the Resolution of Insurance Disputes and Violations, the primary and appeal committees for the resolution of tax disputes and violations and all judicial and quasi-judicial committees, other legal and arbitration committees, Civil Affairs Departments, police stations, Chambers of Commerce and Industry, private sector entities, commercial banks, companies and establishments, money houses and all funds, official financing authorities of various names and degrees and other lenders. The Board Chairman also has the right to recognize, demand, defend, plead, sue, assign, compromise, accept and appeal judgments, request arbitration, and enforcement of verdicts, oppose judgments, receive the enforcement price, discharge the company debtors of their liabilities, enter into bids, sell, purchase, pledge and dis-mortgage real estates.

Moreover, the Board Chairman shall have power to enter into contracts, engagements and commitments in the name of the Company and sign on its behalf on all types of contracts and documents including, for instance but not limited to, the articles of association of the various companies in which the Company shares along with all their amendments, annexes and amendments decisions and to sign the agreements, legal deeds before the notary public and official authorities, as well as the agreements of loans, guarantees, bonds and deeds for the selling and purchase of real estate and issuing the legal powers of attorney on behalf of the company, sell, pledge and dis-mortgage real

estate, conveyance and acceptance, to take over and hand over real estate, to take on lease or hire any real estate, to receive and pay the price, to open accounts, credits, withdrawals, deposit in the banks, issuing guarantees to banks, funds and government financing institutions and sign all securities and order bonds, cheques, all commercial papers, documents and banking transactions.

The Board Chairman may also issue written authorizations and legal and official powers of attorney to appoint, authorize or deputize a person or several persons or an entity or several entities with all or some of the powers mentioned above. He also has the right to give the attorneys the authority to delegate and empower others.

The Board, may, within the limits of its powers, authorize one or more of its directors or a third party to undertake a specific work or tasks in a manner that does not conflict with the relevant rules and regulations.

2. The Board of Directors may contract loans, regardless of their term, sell or mortgage the Company's assets, sell or mortgage the Company's commercial premises, or discharge the Company's debtors from their obligations, unless these Articles include or the Ordinary General Assembly issues anything that restricts the powers of the Board of Directors in that regard.

Article (18): Remuneration of the Board Members
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1. Remuneration of Board members may consist of a specified salary, or meeting attendance fee, material benefits, a percentage of the net profits or a combination of two or more of these benefits. The Ordinary General Assembly shall determine the amount of such remuneration, provided that such remunerations are fair, motivating, and commensurate with the member's performance and the Company's performance. The regulations shall determine the necessary controls to implement this Subsection.
2. The Board of Directors shall recommend the special remuneration for the Chairman of the Board in return for his work and responsibilities that he undertakes in this capacity, in addition to the remuneration stipulated for the Board members.
3. The report submitted by the Board of Directors to the General assembly shall include comprehensive statement for everything given to the Board of Directors during the financial year including rewards, meeting attendance fee, allowance, expenses, and other benefits. It shall also include the amounts given to the Board members in their capacity as employees or administrators or what they received against technical, administrative or consultations. It should also include a statement for the number of meetings attended by each member.

Article (19): Powers of the Chairman and the Duration of His Membership, Vice Chairman, Managing Director and Board Secretary and the Duration of their Membership
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The Board of Directors shall appoint in its first meeting, from among its members, a Chairman, vice Chairman and a chief executive officer. The Board may also appoint, from its members, a managing director, or a chief executive officer to the Company. The Chairman shall have the right to sign on behalf of the Company and implement the decisions of the Board. Also, the Chairman may represent the Company before legal entities, arbitration

panels and third parties. The Chairman by virtue of a written resolution delegate his powers to other director or others to undertake specific operation(s). The salaries, rewards, and allowances are recommended by the Board of Directors for the Board Chairman and managing director in line with Article (18) of these Articles of Association. The Board must appoint a secretary for the Board. The Board may also appoint a consultant(s) in various affairs of the Company and fix their remunerations. The Board of Directors may remove the Chairman of the Board, the Vice Chairman, the Managing Director, the Chief Executive Officer, and the Secretary, and any of them from these positions, and this does not entail removing them from their directorship in the Board.

Article (20): Board Meetings

The Board of Directors shall meet upon the invitation of the Chairman; also, the Chairman shall invite the Board to meet when requested in writing by any Board director. The invitation to convene should be documented in the manner sets by the Board. The Board meetings shall be convened periodically or whenever it is needed provided that the annual meetings shall not be less than (4) meetings. These meetings may be held using modern technology means, in accordance with the controls set by the regulatory authorities.

Article (21): Quorum of Board Meeting

1. A meeting of the Board shall be valid only if attended by at half of its directors in person or by proxy.
2. If the necessary conditions are not met for the Board of Directors to convene due to the number of its members being less than the minimum quorum stipulated in the Companies Law or these Articles, the remaining members must invite the General Assembly to convene within sixty (60) days to elect the necessary number of members.
3. It is permissible, by a decision of the Capital Market Authority, to call the General Assembly to convene if the number of members of the Board of Directors is less than the minimum for its validity.
4. A member of the Board of Directors may not delegate someone else to attend the meeting or vote on its decisions. As an exception to this, a member of the Board of Directors may give proxy to any other director to attend and vote in the meeting on his behalf, provided that the delegated member may not be delegated for more than one time.
5. Resolution of the Board shall be adopted by majority vote of the directors present or represented; in case of tie, the Chairman of the meeting would have a casting vote.
6. The Board of Directors may adopt resolutions on urgent matters by putting them to the directors separately, unless a director requests - in writing - that the Board be convened to deliberate on such resolutions. These resolutions shall be laid before the Board at the first following meeting.

Article (22): Board Deliberations

Deliberations and decisions of the Board shall be recorded in minutes prepared by the Board secretary to be signed by the Chairman of the meeting, directors present and the Secretary. Such minutes shall be entered in a special register which shall be signed by the Chairman and

the Secretary and means of modern technology may be used to sign, record deliberations and decisions, and record minutes.

Article (23): Contracts and Agreements
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1. The Company may, after obtaining the approval from Insurance Authority, enter into an agreement to provide technical services with one or more of the qualified companies in the insurance field.
2. A member of the Board may not have any direct or indirect interest in the business and contracts conducted on behalf of the Company except with a consent from the General Assembly and the Board Director must declare to the Board any personal interest he may have in such transactions or contracts made for the account of the Company, and such declaration must be recorded in the minutes of the Board's meeting.
3. Such director shall not participate in voting on the resolution to be adopted in this respect during the Board and Shareholders' meetings.
4. The Chairman of the Board of Directors shall communicate to the ordinary General assembly when it convenes the transactions and contracts in which any director has either a direct or indirect personal interest. Such communication shall be accompanied by a special report from the External Auditor.
5. If the director fails to make the declaration, the Company or any interested party shall have the right to claim, before the competent judicial authority, to nullify the contract and obligate the director to return any profits or interests realized.
6. Liability for damages resulting from the acts and contracts referred to in Subsection (2) of this Article shall fall on the member who has an interest in the act or contract, as well as on the members of the Board of Directors, if those acts or contracts are carried out in violation of the provisions of that Subsection or if they are proven to be unfair, or involve a conflict of interest and cause damage to shareholders.
7. It is not permissible for a member of the Board of Directors or a member of any of the Board committees to participate in work that would compete with the Company or compete with the Company in one of the classes of the business activity it practices. Otherwise, the Company may demand appropriate compensation from him before the competent judicial authorities, unless he has previously obtained a consent from the Ordinary General Assembly or the Board of Directors by an authorization from the Ordinary General Assembly – to be renewed annually – allowing him to do so.

Chapter (5)
Shareholders' Assemblies

Article (24): Attendance of General Assemblies
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1. The duly composed general assembly represents all Shareholders and convene at the city of the Company's head quarter is located.
2. Every shareholder, regardless of the number of his shares, has the right to attend the Shareholders General Assembly and such Shareholder has the right to delegate any person other than directors or Company's employees to represent him at the General Assembly. The Shareholder may participate in the deliberations of the general assembly

of Shareholders and vote on its resolutions using modern technology methods, in accordance with the controls set forth by the Capital Market Authority.

Article (25): Competence of the General assembly
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Except for matters falling within the jurisdiction of the Extraordinary General Assembly, the General Assembly shall be competent in all matters related to the Company and shall be convened at least once a year within six months of the end of the Company's financial year. Other ordinary general assemblies may be convened whenever the need arises.

Article (26): Competence of the Extraordinary General Assembly
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The Extraordinary General Assembly shall be competent to amend the Company's Articles of Association, except for provisions it may not amend by law. An extraordinary general assembly, in addition to other competences, may adopt resolutions on matters falling primarily within the jurisdiction of the ordinary general assembly, subject to the same conditions and in the same manner as prescribed for the general assembly.

Article (27): Summon for the General Assembly
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1. General or special assemblies of Shareholders shall be convened at the summons of the Board of Directors. The Board of Directors must call an ordinary general assembly within (30) thirty days if so, requested by the Auditor, the Audit Committee or by a number of Shareholders representing at least (10%) of the voting shares of the Company. Moreover, the Auditor may call an ordinary general assembly to convene if such meeting is not called by the Board of Directors within (30) thirty days from the date of the Auditor's request.
2. The request referred to in Subsection (1) of this article shall specify the items on which the shareholders are required to vote.
3. By decision of the Capital Market Authority, the Ordinary General Assembly may be called to convene in the following cases:
 - a. If the period specified for the meeting (during the six months following the end of the Company's fiscal year) passes without it being held.
 - b. If it becomes clear that there are violations of the provisions of the law or the Company's Bylaw, or there is a defect in the Company's management, including the lack of the minimum number of Board members required for a valid meeting.
 - c. If the Board does not invite the General Assembly to convene within the period specified in Subsection (1) of this article from the date of the request of the Auditor or one or more shareholders representing at least (10%) of the Company's shares that have voting rights.
4. Notice of the General Assembly shall be sent at least (21) twenty-one days prior to the date set for the meeting, and a copy of both the notice and the agenda shall be sent to the Commercial Register as well as the Capital Market Authority. Nevertheless, a notice sent to the Shareholders by registered mail within the time limit set above to their addresses listed in the shareholders register, or announcing the notice through modern technology means shall suffice.

Article (28): Assembly Attendance Register

Shareholders wishing to attend ordinary or extraordinary General Assemblies shall register their names at the Company's Head Office prior to the date set for the General Assembly convocation. Attendance and registration may be through the electronic registration decided by the Capital Market Authority.

Article (29): Quorum of the Ordinary General Assembly

1. The ordinary general assembly shall be valid only if attended by Shareholders representing at least quarter of the Company's Capital.
2. If the quorum required was not attained for the meeting of the Ordinary General Assembly in accordance with Subsection (1) of this Article, a notice shall be served for a second meeting to be held within thirty (30) days of the previous meeting. This notice shall be published in the manner prescribed in Article (27) of these Articles of Association. However, the second meeting may be held after an hour from the end of the expiry of the time fixed for holding the first meeting, provided the notice sent for the first meeting must include an indication to the possibility of holding a second meeting. In all cases, such meeting shall be valid regardless of the number of shares represented thereat.

Article (30): Quorum of the Extraordinary General Assembly Quorum

1. The Extraordinary General Assembly shall be valid only if attended by Shareholders representing at least one-half of the Company's Capital.
2. If the quorum required was not attained for the meeting of the Extraordinary General Assembly in accordance with Subsection (1) of this Article, a notice shall be served for a second meeting, at the manner prescribed in Articles (27) of these Articles of Association, provided the notice sent for the first meeting must include an indication to the possibility of holding this meeting. In all cases, such meeting shall be valid if attended by Shareholders representing at least one quarter of the Company's Capital.
3. If this quorum was not attained at the second meeting, a notice shall be served for a third meeting to be held in the same manner prescribed in Article (27) of these Articles of Association, and such third meeting shall be valid regardless of the number of shares represented thereat, after the approval of the Capital Market Authority.

Article (31): Votes Counting at Assemblies

The votes in the Ordinary General Assemblies as well as in the Extraordinary General Assemblies shall be counted on the basis of one vote for each share. The cumulative voting as the voting right can be used only once by the Shareholder in the election of the Board members. Directors may not participate in voting on resolutions of on the Assembly's decisions pertaining to businesses and contracts in which they have a direct or indirect interests or which involve a conflict of interest.

Article (32): Resolutions of Assemblies

Resolutions of the Ordinary General Assembly shall be adopted by absolute majority of the shares represented thereat, and the resolutions of the Extraordinary General Assembly shall be adopted by a majority vote of two thirds of the shares represented at the meeting. But if a

resolution pertains to an increase or decrease in Capital, or to extension of the term of the Company, or to dissolution of the Company prior to expiry of the term specified in its Articles of Association or merger into another Company or firm or dividing it into two companies or more, it shall be valid only if adopted by a three fourths majority vote of the shares represented at the meeting.

Article (33): Deliberations at Assemblies
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Every shareholder shall have the right to discuss the matters listed on the agenda of Assembly and to address questions to the Directors and the Auditor in respect thereof. Any provision in the Company's Bylaw depriving a shareholder of this right shall be considered void. The Directors or the Auditor shall answer Shareholders' questions to such an extent as would not jeopardize the Company's interest. If a shareholder feels that the answer to a question put by him is unsatisfactory, he may appeal to the Assembly whose decision shall be decisive in this respect.

Article (34): Heading of Assemblies and Preparation of Minutes
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1. The General Assembly meetings shall be chaired by the Chairman of the Board of Directors or, in his or her absence, by the Vice Chairman or, in his or her absence, by a member delegated by the Board of Directors. If this is not possible, the General Assembly shall be chaired by whoever the shareholders delegate from among the Board members or others through voting process.
2. Minutes shall be kept for every General Assembly, showing the names of Shareholders present personally or represented by proxy, the number of shares held by each of them either, whether personally or by proxy, the number of votes allotted thereto, the resolutions adopted, the number of consenting and dissenting votes, and a comprehensive summary of the debate conducted at the meeting. Following every meeting, the minutes shall be regularly recorded in an organized manner in a special book, which shall be signed by the Chairman, the Secretary, and the vote counter.

CHAPTER (6)

Committees Stemmed from the Board.

Article (35): Board Committees
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The Board of Directors Committees shall be composed according to relevant regulations and laws.

CHAPTER (7)

Financial Auditing

Article (36): Appointment of Auditor
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1. The Ordinary General Assembly shall appoint one (or more) Auditors from among those licensed to operate in the Kingdom, specify their compensation and term of office and may reappoint them.
2. The total period of work of any of the Auditors shall not exceed seven (7) consecutive or separate financial years, and this period shall be recalculated after the lapse of no less

than three consecutive financial years from the date of the expiry of the last financial year in which he worked to audit the Company's accounts.

3. The total period of work of the partner supervising the audit work with the Auditors shall not exceed (7) seven consecutive or separate financial years, and the Insurance Authority may, based on its discretion, modify this period for any company or sector. This period shall be recalculated after the lapse of no less than five (5) consecutive financial years from the date of the expiry of the last financial year in which he worked as a partner supervising the audit work of the Company's accounts.
4. The auditor may be removed by a resolution taken by the Shareholders or the General Assembly, and the Chairman of the Board of Directors must notify the competent authority of the removal resolution and its reasons, within a period not exceeding five (5) days from the date of issuing the resolution.
5. The Auditor may resign from his mission by a written notification submitted to the Company, and his mission shall end from the date of submission or on a later date specified in the notification, without prejudice to the Company's right to compensation for the damage incurred if there is a justification for it. The resigned Auditor is obligated to submit to the Company and the competent authority - upon submission of the report - a statement of the reasons for his resigning. The Board of Directors must invite the shareholders to the General Assembly to convene, as the case may be, to consider the reasons for the resigning and appoint another auditor and determine his fees, the duration of his work and its scope.

Article (37): Powers of Auditor

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The Auditors shall have access at all times to the Company's accounting books, records, and supporting documents, and may request such information and clarification as it deems necessary. It may further check and confirm the Company's assets and liabilities. The Chairman of the Board of Directors shall enable the Auditor to undertake its duties. The Auditor shall record any difficulties it may face in such regard in its report to the Board of Directors. If the Board of Directors does not facilitate the Auditor's work, the Auditor shall request the Board of Directors to convene the Ordinary General Assembly to look into the matter. The auditor may issue this invitation if the Board of Directors does not issue it within (thirty) days from the date of the Auditor's request.

Article (38): The Auditor's Obligations

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The Auditor must submit a report on the financial statements to the annual General Assembly, prepared in accordance with the auditing standards accepted in the Kingdom, setting forth the attitude of the Company's management in providing it with the particulars and clarifications it has requested and what it has revealed as violations of the provisions of the Law on the Supervision of Cooperative Insurance Companies and its Implementing Regulations, the other relevant laws and regulations and Company's Bylaws within its competence, and his opinion regarding the fairness of the Company's financial statements and on the fairness of the Company's financial statements. The Auditor shall read his report or present a summary of it at the annual General Assembly, or present the report by circulation, as appropriate.

CHAPTER (8)
Company Accounts and Distribution of Dividends

Article (39): Fiscal Year
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The fiscal year of the Company shall begin on the first of January each year and ends by the end of December of the same year. The first fiscal year shall begin from the date of the Ministerial resolution issued on incorporating the Company and to end on 31st December of the next year.

Article (40): Financial Documents
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1. At the end of every fiscal year, the Board of Directors shall prepare the financial statements of the Company (composes of statement of financial position for the insurance operations, and Shareholders, insurance transactions surplus (deficit) statement, Shareholders income statement, statement of Shareholders equity, insurance operation cash flows statement and Shareholders cash flows statement) together with a report on Company's operations and financial position for the expired financial year, setting out the proposed method for profits allocation. The Board shall put the said documents at the disposal of the Auditor, if any, at least forty-five (45) days prior in the date set for the General Assembly meeting.
2. The documents referred to in Subsection (1) hereof must be signed by the Chairman, Chief Executive Officer (CEO), and Chief Financial Officer (CFO) of the Company, if any, and copy of which must be placed at the Company's head office and put at the disposal of shareholders.
3. The Chairman shall provide the Shareholders with a copy for each of the Financial Statements of the Company and Board of Directors report after signing them and the Auditors report documents, if any, unless these reports are published in any modern means of technology at least fifteen (15) days prior to the date fixed for the Ordinary General Assembly meeting.

Article (41): Accounts of Insurance Business
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Insurance operations accounts shall be separate from the statement of shareholders' income in the following manners:

First: Insurance Business Accounts

- 1) A separate account shall be set up for the earned premiums, reinsurance commissions and other commissions.
- 2) A separate account is set up for the losses incurred by the Company.
- 3) At the end of each year, total surplus that represent the difference between total premiums and claims less paid commissions, marketing, administrative, operations costs and technical reserves according to the regulatory framework.
- 4) The net surplus shall be determined as follow:
To add up to the total surplus indicted in the above clause (3) or subtract from it the insured's' investment income after calculating their returns and deducting the accrued expenses.
- 5) Net surplus distribution shall be done either by distributing 10% for the reinsured directly or by rebate of their following premiums and forwarding of 90% to the of Shareholders' income statement.

Second: Shareholders' Income Statement

- 1) Profits accrued from Shareholders' funds investments, shall be subject to the rules set by the Board of Directors.
- 2) Shareholders' proportion of the net surplus shall be as per subsection (5) of item "First" of this Article.

Article (42): Zakat, Reserves and Distribution of Profits
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The Company, before distributing profits to the Shareholders, should do the following:

- 1) To set aside the sums of Zakat and income tax.
- 2) To set aside 20% of the net profits to build up the statutory reserve of the Company. The Ordinary General Assembly may resolve to stop such step aside when the said reserve amounts reach (100%) of the paid-up Capital.
- 3) The Ordinary General Assembly may, in determining the dividend out of the net profits, resolve to create other reserves to the extent that it serves the interests of the Company or ensures the distribution of fixed profits as much as possible to the Shareholders. The afore mentioned Assembly may also deduct amounts from the net profits to achieve social purposes for the Company's employees.
- 4) The Company's net annual profits that it determines are distributed after deducting all general expenses and other costs, and the formation of the necessary reserves to confront doubtful debts, investment losses, and contingent liabilities that the Board of Directors deems necessary in accordance with the provisions of the Law on the Supervision of Cooperative Insurance Companies and the provisions issued by the Insurance Authority, and the remainder of profits is allocated after deducting the reserves established under the relevant regulations and zakat, a percentage determined by the General Assembly shall be distributed to Shareholders in accordance with the recommendation of the Board of Directors and as decided by the General Assembly. If the remaining percentage of profits due to Shareholders is not sufficient to pay this percentage, then Shareholders may not demand it be paid in the following year or years. The General Assembly may not decide to distribute a percentage of profits in excess of what the Board of Directors proposes.

Article (43): Entitlement in Dividends
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A shareholder shall be entitled to his share in the profits as per the General Assembly resolution issued in this respect; such resolution shall show the due date and distribution date. Shareholders registered in the Shareholders register shall be eligible to profits at the end of the day specified for eligibility. The Company shall notify the Capital Market Authority – without delay – about any decision or recommendation for profits distribution. Subject to the prior written approval of the Insurance Authority, profits to be distributed amongst the Shareholders shall be paid at the place and times specified by the Board of Directors in accordance with the instructions issued by the competent authority subject to the written approval of the Insurance Authority.

Article (44): Company's Losses
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If the losses of Company total half of its issued capital, the Board of Directors must disclose this and the recommendations it has reached regarding these losses within sixty (60) days from the date on which it learns that they have reached this amount and call an extraordinary General Assembly meeting within one hundred and eighty (180) days from the

date of the knowledge of such losses; to consider the continuation of the Company and adopt any necessary measures to address these losses or dissolve the Company.

CHAPTER (9) **Disputes**

Article (45): Company's Liability

The Company shall be bound by all the acts performed by the Board of Directors, even though they may fall beyond the scope within the limits of its competence, except if such director is acting in bad faith or knows that such acts fall beyond the Board's scope of competence.

Article (46): Board of Directors Liability

1. Directors shall be jointly liable for damages to the Company or the Shareholders, or third parties, arising due to their errors, negligence or failure to perform their duties, or their violation of the provisions of the Law on the Supervision of Cooperative Insurance Companies and its Implementing Regulations, or any other related laws. Any stipulation contrary to this provision shall be considered as of no exist.
2. Liability may be either personal, affecting a particular director, or shared by all members of the Board of Directors if the decision was issued unanimously. If the decision was issued by a majority vote, the opposing members shall not be held liable if they explicitly record their objection in the minutes of the meeting. Absence from the meeting at which the resolution is adopted shall not constitute cause for relief from liability unless it is established that the absentee was not aware of the resolution, or , or, on becoming aware of it, was unable to object to it.
3. The agreement of the Ordinary General Assembly to relieve the Board Directors of liability shall not preclude the filing of a claim.
4. The action for liability may not be heard after the elapse of five (5) years since the date of the end of the financial year during which damaging act occurred, or (3) three years after the end date of the directorship of such director, whichever is later, except the cases of deception, fraud and falsification.
5. Every shareholder shall have the right to file a personal lawsuit against the members of the Board of Directors if the wrongful act committed by them is of a nature to cause such shareholder personal prejudice.
6. The Company shall have the right to institute the action in liability against the members of the Board of Directors due to violating the provisions of the Law on Supervision of Cooperative Insurance Companies and its Implementing Regulations and other related laws, regulations and instructions and these Articles, or due to any errors, negligence or failure to perform their work, which results in damages to the Company. The General Assembly or Shareholders decide to file this action in liability and appoint someone to represent the Company in conducting it. If the Company is in the liquidation phase, the liquidator shall file the lawsuit. In the event that any liquidation procedures are opened

against the Company in accordance with the Bankruptcy Law, this lawsuit shall be filed by its legal attorney.

7. One or more shareholders representing (5%) five percent of the Company's capital may institute the action in liability for the Company in the event that the Company does not institute it, provided that the main objective of filing the action in liability is based on a valid basis, and that the Plaintiff is in good faith and a shareholder in the Company at the time of instituting the lawsuit.
8. The filing of the lawsuit referred to in Subsection (7) of this article requires notifying the members of the Board of Directors of the intention to file the lawsuit at least fourteen (14) days before the date of instituting it.
9. The competent judicial authority, upon the request of the shareholder, may charge the Company with the expenses incurred in filing the liability lawsuit, regardless of its outcome, if he files the lawsuit in good faith and it is in the Company's interest to file this claim.

Article (47): Company's Dissolution

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1. Upon the expiry of the Company, it shall enter into liquidation period in accordance with the provisions of the Law, The General Assembly or Shareholders must take liquidation procedures, and the Company shall retain the necessary legal personality to the extent necessary for liquidation.
2. The decision for optional liquidation may only be adopted by the General Assembly.
3. The liquidation resolution shall include appointment of a liquidator, as well as determining his authority, fees, restrictions on such authority and necessary duration for liquidation. Volunteering liquidation should not exceed (3) three years and may not be extended more than that without a judicial order.
4. If the Company is dissolved for any of the reasons for dissolution stipulated in the Law, the Shareholders or the Board of Directors - as the case may be - must prepare the statement referred to in Subsection (1) of Article (Two Hundred and Forty-Two) of the Law, unless it was prepared before its dissolution and the period from the date of its preparation does not exceed (thirty) days.
5. If the Company is dissolved and its assets are insufficient to pay its debts or if it is in default according to the Bankruptcy Law, it must apply to the competent judicial authority to initiate any liquidation procedures according to the Bankruptcy Law.
6. If the Company is liquidated in violation of the provisions of this article, the Shareholders, or members of the Board of Directors - as the case may be - shall be jointly liable for any remaining debt owed by it.

Article (48): Final Provisions

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The Law on the Supervision of Cooperative Insurance Companies and its Implementing Regulations, the Companies Law and other related laws, regulations and instructions shall apply to all matters not specifically provided for herein.

Article (49): Publication

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These Articles shall be deposited and published in conformity with the Companies Law and its regulations.