

# Articles of Association

## Chapter one

### Company incorporation

#### Article (1): Incorporation

The Company shall be incorporated in accordance with the provisions of the Cooperative Insurance Companies Control Law, Companies Law, Capital Market Law and its executive regulations and the Company's Articles of Association. It shall be a Saudi joint stock company between owners of shares, for which provisions are set forth below.

#### Article (2): The Company's Name:

Saudi Arabian Cooperative Insurance Company (Saudi Joint Stock Company).

#### Article (3): The Company's Objectives:

Engaging in cooperative insurance activities in general insurance, health insurance, and protection and savings insurance. The company may undertake all the necessary work to achieve its objectives, whether in field of insurance or investing its funds, and to own and move fixed and cash funds or sell them, exchange them, or rent them directly through it or through companies established or purchased by it or in partnership with other parties. The company carries out its activities in accordance with provisions of the Cooperative Insurance Companies Control law and its executive regulations and rules applied in Saudi Arabia and after obtaining the necessary licenses from the competent authorities, if any.

#### Article (4): The Company's Participation in, and Ownership of Companies:

The company may establish limited liability companies, or closed joint stock companies, provided that the capital is not less than (5) five million Saudi riyals. It may also own shares in other existing companies or merge with them, and it has the right to incorporate joint stock or limited Liability companies jointly with a third party - Provided that the companies established by the company, having shares in it or merging with them carry out businesses similar to its business or financial business that helps it achieve its purpose, after fulfilling the regulatory requirements and instructions followed in this regard, and after obtaining approval of the Insurance Authority.

#### Article (5): The Company's Head Office:

The Company's head office shall be in Riyadh, Kingdom of Saudi Arabia. By decision of the Extraordinary General Assembly, the Head office may be transferred to any other city in the Kingdom of Saudi Arabia with the approval of the Insurance Authority. The company may establish branches, offices, or agencies inside or outside the Kingdom of Saudi Arabia after the Insurance Authority's approval.

<b>Company's Name</b> Saudi Arabian Cooperative Insurance Co.	<b>Articles of Association</b>		<b>Ministry of Commerce</b> (Operation Department)
<b>Commercial Register No.</b> 1010237214	<b>Date: 16/01/1446</b> <b>Corresponding to 22/07/2024</b>		
	Page No.	Page 1 of 18	

\* A copy of the Articles of Association was published pursuant to the resolution of the Extraordinary General Assembly dated 04/06/2024.

**Article (6): The Company's Duration:**

The Company's duration shall be (99) ninety-nine calendar years starting from the date of its registration in the commercial register. The Company's duration may be extended by a decision issued by the extraordinary general assembly at least one year before expiry of this duration.

## **Chapter Two**

### **The rules to be observed by the company in conducting its business and its specific objectives**

**Article (7): The Company's Investments:**

The Company invests funds of the insureds and the company's shareholders in accordance with the rules set by the Board of Directors, without being incompatible with the Cooperative Insurance Companies Control law and its executive regulations and other relevant regulations and instructions issued by the Insurance Authority or any other relevant body.

## **Chapter Three**

### **Capital and shares**

**Article (8): Capital:**

The Company's capital is (300,000,000) three hundred million Saudi riyals, divided into (30,000,000) thirty million shares of equal value with a nominal value of (10) ten Saudi riyals per share, all of which are ordinary cash shares.

**Article (9): The Subscription in Shares:**

The Shareholders have subscribed to the Company's entire capital, and the value was paid in full.

**Article (10): Shareholders' Register:**

The Company's shares are traded in accordance with the provisions of the Financial Market Law and its executive regulations.

**Article (11): Share Issuance:**

The Company's shares shall be nominal and may not be issued at less than their nominal value, but rather they may be issued at a higher value than this. In this latter case, the value difference shall be added in a separate item within the shareholders' equity, and may not be distributed as dividends to shareholders. The share is indivisible against the

<b>Company's Name</b> Saudi Arabian Cooperative Insurance Co.	<b>Articles of Association</b>		<b>Ministry of Commerce</b> (Operation Department)
<b>Commercial Register No.</b> 1010237214	<b>Date: 16/01/1446</b> <b>Corresponding to 22/07/2024</b>		
	Page No.	Page 2 of 18	

\* A copy of the Articles of Association was published pursuant to the resolution of the Extraordinary General Assembly dated 04/06/2024.

company. If the share is owned by multiple people, they must choose one of them to represent them in exercising the rights related to it. These persons will be jointly responsible for the obligations arising from the share's ownership.

#### **Article (12): Share Trading:**

The Company's shares will be tradable after being listed in the Capital Market Exchange (Tadawul) with due consideration to the instructions issued by the Insurance Authority.

#### **Article (13): Capital Increase:**

1- The Extraordinary General Assembly may decide to increase the company's capital after approval of the Insurance Authority and the Capital Market Authority, provided that the capital has been paid in full. It is not required that the capital be paid in full if the unpaid part of the capital belongs to Shares issued in exchange for converting debt instruments or financing instruments into shares, and the period set for their conversion into shares has not yet expired.

2- In all cases, the Extraordinary General Assembly may allocate the shares issued, or part thereof, upon increasing the capital to the company's employees and its subsidiaries or some of them, or any of that. Shareholders may not exercise their priority right upon issuance of the company's shares allocated to workers.

3- The shareholder at the time of the issuance of the General Assembly's resolution approving the capital increase has priority in subscribing to the new shares issued in exchange for cash shares. They are notified of their priority - if any - by a registered letter to their addresses listed in the shareholder register, or through modern technological means, about decision to increase the capital, subscription conditions, its term, and its start and end date.

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

5- The shareholder shall be entitled to sell or waive the priority right for or without financial consideration during the period from the time of issuance of the General Assembly's resolution approving the capital increase until the expiry of the subscription for new shares associated with these rights, in accordance with the controls established by the Capital Market Authority.

#### **Article (14): Capital Decrease:**

1- The Extraordinary General Assembly may resolve to reduce the capital if it exceeds the company's need or if the company suffers losses, after the approval of the Insurance Authority and the Capital Market Authority, provided that the paid-up capital of the insurance company, after the reduction shall not be less than (300,000,000) three hundred million riyals. The paid-up capital of a reinsurance company or an insurance company that engages in reinsurance business at the same time, shall be (300,000,000) three hundred million riyals. The reduction decision shall not be issued except after reading a statement in the General Assembly prepared by the Board of Directors about the grounds for the reduction, the company's obligations, and the effect of the reduction on fulfilling them. A report from the

<b>Company's Name</b> Saudi Arabian Cooperative Insurance Co.	<b>Articles of Association</b>		<b>Ministry of Commerce</b> (Operation Department)
<b>Commercial Register No.</b> 1010237214	<b>Date: 16/01/1446</b> <b>Corresponding to 22/07/2024</b>		
	Page No.	Page 3 of 18	

\* A copy of the Articles of Association was published pursuant to the resolution of the Extraordinary General Assembly dated 04/06/2024.

company's auditor shall be attached to this statement. It may be sufficient to submit the aforementioned statement to the shareholders in cases where a General Assembly decision is issued by circulation.

2- If the capital reduction is as a result of it exceeding the company's needs, the creditors must be invited to express their objections - if any - to the reduction, at least (45) days before the date set for holding the extraordinary general assembly meeting to take the reduction decision, provided that a statement showing the reduction amount of capital before and after the reduction, date of meeting and the effective date of the reduction. If one of the creditors objects and submits his documents to the company within the aforementioned period, the company must pay the debt if it is due or provide the creditor with sufficient guarantee to fulfill it when it becomes due.

3- Equality between shareholders of the same type and class must be taken into account upon capital reduction.

## Chapter Four

### Board of Directors

#### Article (15): The Company's Management:

The company shall be managed by a Board of Directors consisting of at least five members elected by the Ordinary General Assembly for a period not exceeding three years. In all cases, members of the Board of Directors must be natural persons, and the composition of the Board of Directors must reflect an appropriate representation of independent members. In all cases, number of independent board members may not be less than two or one-third of the board members, whichever is greater.

#### Article (16): The End of the Membership of the Board:

1- The Membership of the Board of Directors shall expire upon the expiry of the Board term, resignation, death, or absence from three consecutive meetings or (five) separate meetings during term of membership, without a legitimate and acceptable excuse, or if it is proven to the Board of Directors that the member has violated his duties in a way that harms the interest of the company, provided that this is accompanied with the approval of the Ordinary General Assembly, or upon termination of his membership in accordance with any law or instructions in force in Saudi Arabia, or if he is declared bankrupt or insolvent, or submits a request for settlement with his creditors, or stops paying his debts, or suffers a mental illness or physical disability that may lead to the member's inability to carry out his role to the fullest extent, or he has been proven to have committed an act of breach of trust or ethics, or he has been convicted of forgery by a final judgement.

2- The Ordinary General Assembly may, at any time, dismiss all or some of the members of the Board of Directors, without prejudice to the right of the dismissed member towards the company to demand compensation if the dismissal occurs for an unacceptable reason or at an inappropriate time. A member of the Board of Directors may resign, provided that he resigns at an appropriate time, otherwise he shall be responsible towards the company for any damages resulting from the resignation.

<b>Company's Name</b> <b>Saudi Arabian Cooperative Insurance Co.</b>	<b>Articles of Association</b>		<b>Ministry of Commerce</b> <b>(Operation Department)</b>
<b>Commercial Register No.</b> <b>1010237214</b>	<b>Date: 16/01/1446</b> <b>Corresponding to 22/07/2024</b>		
	Page No.	Page 4 of 18	

\* A copy of the Articles of Association was published pursuant to the resolution of the Extraordinary General Assembly dated 04/06/2024.

3- The Ordinary General Assembly may – based on the recommendation of the Board of Directors - terminate the membership of any member who fails to attend (three) consecutive meetings or (five) separate meetings, during term of his membership without a legitimate excuse accepted by the Board of Directors.

4- If a member of the Board of Directors resigns, and he has comments on the company's performance, he must submit a written statement thereof to the Chairman of the Board of Directors, and this statement must be submitted to the members of the Board of Directors.

5- The Insurance Authority must be notified when any member of the Board resigns or his membership is terminated for any reason other than the end of the Board term, within (5) five working days from date of leaving work, taking into account the related disclosure requirements.

6- The Board of Directors must convene the Ordinary General Assembly before the expiry of its term by a sufficient time to elect a Board of Directors for a new term. If it is not possible to hold the election and the term of the current Board has expired, its members will continue to perform their duties until a new Board of Directors is elected for a new term, provided that the term of the members of the Board whose term has expired does not exceed ninety days from date of the expiry 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 expiration of the continuation period specified in this paragraph.

7- If the Chairman and the members of the Board of Directors retire, they must call an Ordinary General Assembly to convene to elect a new Board of Directors. The retirement shall not take effect until the election of the new Board, provided that the term of the retiring Board shall not exceed (one hundred and twenty days) from the date of that retirement, and the Board of Directors shall take the necessary measures for the election of a board of directors to replace it before the expiry of the continuation period specified in this paragraph.

#### **Article (17): The Vacant Position in the Board:**

In the event that the position of a member of the Board of Directors becomes vacant, the Board may, after obtaining a no-objection from the Insurance Authority, appoint in the vacant position, temporarily, a member who has sufficient experience, without regard to the order of votes obtained in the General Assembly by which the Board of Directors was elected. The Ministry of Commerce and the Capital Market Authority shall be notified within (5) five working days from the date of appointment, and this appointment shall be presented to the Ordinary General Assembly at its first subsequent meeting, and the new member shall only complete the term of his predecessor.

#### **Article (18): The Board Powers:**

1- Subject to the powers assigned to the General Assembly, the Board of Directors shall have the broadest powers in managing the company in order to achieve its objectives, with the exception of acts or actions excluded by a specific provision in the Companies Law or these articles, that fall within the jurisdiction of the General Assembly. The Board shall also have the right - within the limits of its jurisdiction - to authorize one or more of its members or a third party, to undertake a specific work or activities in a manner that does not conflict with the relevant laws 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 a restriction of the Board of Directors' powers in this regard.

Company's Name Saudi Arabian Cooperative Insurance Co.	Articles of Association		Ministry of Commerce (Operation Department)
Commercial Register No. 1010237214	Date: 16/01/1446 Corresponding to 22/07/2024		
	Page No.	Page 5 of 18	

\* A copy of the Articles of Association was published pursuant to the resolution of the Extraordinary General Assembly dated 04/06/2024.

The Board of Directors is required to obtain the approval of the General Assembly when selling the company's assets value of which exceeds (fifty percent) of the value of its total assets, whether the sale is made through one transaction or several transactions. In this case, the transaction that leads to exceeding a percentage of (fifty percent) of value of assets is the transaction for which approval of the General Assembly is required. This percentage is calculated from the date of the first transaction that took place during the previous twelve months. The competent authority may exclude some actions and dispositions from provisions of this article.

**Article (19): The Board Members' Remuneration, and Remuneration of the Chairman of the Board of Directors and Managing Director:**

1- The remuneration for the members of the Board of Directors shall be a certain amount, an attendance allowance for sessions, in-kind benefits, or a certain percentage of net profits. It is permissible to combine two or more of these benefits. The minimum annual remuneration of each of the Chairman and the members of the Board of Directors shall be amount of (150,000 riyals) one hundred and fifty thousand Saudi riyals, and shall not exceed amount of (500,000 riyals) five hundred thousand riyals for their membership in the Board of Directors and their participation in its work, inclusive of the additional rewards in the event of a member's participation, in any of the committees of the Board of Directors. The maximum allowance for attending the meetings of the Board and its committees shall be an amount of five thousand riyals for each session, and each member of the Board, including the Chairman of the Board, shall be paid the actual expenses incurred for attending the meetings of the Board or the committees of the Board, including cost of travel, accommodation and subsistence expenses, provided that they do not exceed what is determined by the relevant regulatory authorities.

2- If the remuneration is a certain percentage of the company's profits, this percentage may not exceed (10%) of the net profits, after deducting the reserves determined by the General Assembly in accordance with the provisions of the Cooperative Insurance Companies Control law and Companies law and these articles, and after distributing a profit to the shareholders of not be less than (5%) of the company's paid-up capital, provided that the entitlement to this remuneration is proportional to the number of sessions attended by the member, and any assessment to the contrary this shall be void.

3- In all cases; the total amount of remuneration and financial or in-kind benefits received by a member of the Board of Directors shall not exceed five hundred thousand riyals annually, (with the exception of the members of the Audit Committee), in accordance with the controls set by the Capital Market Authority.

4- Maximum allowance for attending the Board sessions and its committees is (5,000) riyals, five thousand riyals for each session, not including travel and accommodation expenses.

5- The Board of Directors' report to the Ordinary General Assembly must include a comprehensive statement of all the bonuses, expense allowances, and other benefits received by the members of the Board of Directors during the financial year. It should also include a statement of what members of the Board received in their capacity as workers or administrators, or what they received in exchange for technical, administrative or consulting work. It should also include a statement of the number of the board meetings and number of sessions attended by each member from the date of the last meeting of the General Assembly.

<b>Company's Name</b> <b>Saudi Arabian Cooperative Insurance Co.</b>	<b>Articles of Association</b>		<b>Ministry of Commerce</b> <b>(Operation Department)</b>
<b>Commercial Register No.</b> <b>1010237214</b>	<b>Date: 16/01/1446</b> <b>Corresponding to 22/07/2024</b>		
	Page No.	Page 6 of 18	

\* A copy of the Articles of Association was published pursuant to the resolution of the Extraordinary General Assembly dated 04/06/2024.

**Article (20): The Powers of the Chairman of the Board of Directors and his Membership Term, and Membership of his Deputy, Managing Director, and the Secretary:**

The Board of Directors appoints a Chairman and Vice-Chairman from among its members. It appoints a CEO, and may appoint a Managing Director. The position of the Chairman of the Board of Directors may not be combined with any executive position in the company. The Chairman of the Board of Directors has the right to sign on behalf of the company and implement the Board's resolutions. The Chairman of the Board of Directors shall be responsible for representing the company before the judiciary, arbitration bodies, and third parties. The Chairman of the Board of Directors may, by a written resolution, delegate some of his powers to other members of the Board or to third parties for carrying out specific works. The Board of Directors determines the remuneration, allowances and rewards for the Chairman of the Board and the Managing Director in accordance with the stipulated provision in Article (19) of these articles. The Board of Directors must appoint a secretary for the Board. The Board may also appoint, for it, one or more advisors in various company affairs, and determines their remuneration. The term of the Chairman, Vice-Chairman, Managing Director, and Secretary of the Board shall not exceed the term of the membership of each of them in the Board. They may be re-elected. The Board may, at any time, dismiss them or any of them without prejudice to their right to compensation if the dismissal is without a legitimate cause or at an inappropriate time.

**Article (21): The Board Meetings:**

The Board convenes at the invitation of its Chairman. The Chairman of the Board must call for a meeting whenever requested to do so in writing by any Board member to discuss any one or more topics. The call must be documented in a manner deemed appropriate by the Board. The Board meetings shall be held periodically and whenever necessary, provided that the number of annual Board meetings shall not be less than (4) meetings, with at least one meeting every three months.

**Article (22): The Quorum of the Meeting:**

- 1- The Board meeting shall not be valid unless attended by at least half of the members, in person or by proxy, provided that the number of attendees shall not be less than three.
- 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 stipulated in these articles, the remaining members must call the Ordinary General Assembly to convene within sixty days to elect the necessary number of members.
- 3- By decision of the Capital Market Authority, the Ordinary General Assembly may be called to convene if the number of members of the Board of Directors falls below the minimum required for its validity.
- 4- A member of the Board of Directors may not delegate someone else to attend the meeting on his behalf. As an exception, a member of the Board of Directors may delegate another Board member on his behalf, provided that the delegated member does not have more than one proxy.
- 5- The Board's resolutions shall be issued by a majority of the votes of the members present or represented in the meeting. When the votes are equal, the Chairman of the Board shall have a casting vote. The resolution of the

Company's Name Saudi Arabian Cooperative Insurance Co.	Articles of Association		Ministry of Commerce (Operation Department)
Commercial Register No. 1010237214	Date: 16/01/1446 Corresponding to 22/07/2024		
	Page No.	Page 7 of 18	

\* A copy of the Articles of Association was published pursuant to the resolution of the Extraordinary General Assembly dated 04/06/2024.

Company's Board of Directors shall be effective from the date of its adoption, unless the resolution stipulates that it shall take effect at another date or when certain conditions are met.

6- The Board of Directors may take resolutions on urgent matters by presenting them to the members by circulation, unless one of the members requests - in writing - a Board meeting to deliberate on them. These are taken by approval of the majority of its members' votes, and are presented to the Board at its first subsequent meeting.

**Article (23): The Board's Deliberations:**

The Board's deliberations and decisions are recorded in minutes signed by the Chairman of the meeting, attending Board of Directors members, and the Secretary. These minutes are recorded in a special register signed by the Chairman of the Board of Directors and the Secretary. Modern technological means may be used to sign, record deliberations and resolutions, and record the minutes.

**Article (24): The Agreements, Contracts, Conflicts of Interest, and Company Competition:**

1- The Company may after obtaining a no-objection from the Insurance Authority conclude an agreement to manage technical services with one or more qualified companies in the field of insurance.

2- It is not permissible for the company's manager nor a member of the Board of Directors to have a direct or indirect interest in the business and contracts carried out on behalf of the company except with a permission from the Ordinary General Assembly. The member of the Board of Directors must notify the Board of his direct or indirect interest in the business and contracts carried out for the company's account, this notification shall be recorded in the minutes of the meeting.

3- This member may not participate in the voting on the resolution issued in this regard by the Board of Directors and shareholders' assemblies.

4- The Chairman of the Board of Directors informs the Ordinary General Assembly when it is convened about the business and contracts in which a member of the Board has a direct or indirect interest. The notice shall be accompanied by a special report from the company's external auditor.

5- If a board member fails to disclose his interest, the company or any interested party may demand before the competent judicial authority to invalidate the contract or oblige the member to pay any profit or benefit he gained from it.

6- The liability for damages resulting from the acts and contracts referred to in Paragraph (1) of this Article shall fall on the member who has an interest in a business or a contract, as well as on members of the Board of Directors, if those businesses or contracts are carried out in violation of the provisions of that paragraph or if they are proven to be unfair or involve a conflict of interest and harm shareholders.

7- The Members of the Board of Directors who oppose the decision are exempt from responsibility if they expressly prove their objection in the meeting minutes. Absence from the meeting in which the resolution was taken is not a good

<b>Company's Name</b> <b>Saudi Arabian Cooperative</b> <b>Insurance Co.</b>	<b>Articles of Association</b>		<b>Ministry of Commerce</b> <b>(Operation Department)</b>
<b>Commercial Register No.</b> <b>1010237214</b>	<b>Date: 16/01/1446</b> <b>Corresponding to 22/07/2024</b>		
	Page No.	Page 8 of 18	

\* A copy of the Articles of Association was published pursuant to the resolution of the Extraordinary General Assembly dated 04/06/2024.



reason for exemption from responsibility unless it is proven that the absent member was not aware of the resolution or was unable to object to it after he became aware.

8- Neither the company director nor the board member may participate in any work that would compete with the company or compete with the company in any of branches of activity it practices. Otherwise, the company may demand appropriate compensation from him before the competent judicial authority, unless he has previously obtained a permission from the Ordinary General Assembly - renewed every year - allowing him to do so. It is not permissible for the company's manager, nor a member of its board of directors, to exploit the company's assets, information, or investment opportunities presented to him in his capacity as a manager or a member of its board of directors or offered to the company his own direct or indirect interest.

## **Chapter Five**

### **Shareholder Meetings**

#### **Article (25): Attendance of Meetings:**

1- The properly constituted general assembly represents all shareholders, and should be held in the city in which the company's head office is located.

2- Every shareholder, regardless of the number of his shares, has the right to attend the General Assemblies of the shareholders. In doing so, he may appoint another person, other than the members of the Board of Directors or the employees of the company, to attend the General Assembly on his behalf. General Assemblies of the shareholders may be held, and the shareholder may participate in the deliberations and vote on their resolutions, through modern technological means according to the controls set by the Capital Market Authority.

#### **Article (26): The Constituent Assembly:**

1- The founders shall invite all subscribers to convene a founding assembly within (45) forty-five days from the date of the closing of the shares subscription, provided that the period between the date of the invitation and the date of the meeting shall not be less than ten days.

2- Every subscriber - regardless of the number of his shares – shall have the right to attend the constituent assembly. To the meeting be valid, the attendance of a number of subscribers representing (half) at least (half) of

the capital. If this quorum is not met, an invitation will be issued to a second meeting to be held at least (15) fifteen days after the invitation was issued. However, the second meeting may be held. One hour after the end of the period specified for the first meeting, and the invitation to hold the first meeting must include proof of the announcement of the possibility of holding this meeting, and in all cases, the second meeting

shall be valid regardless of the number of subscribers represented in it.

<b>Company's Name</b> <b>Saudi Arabian Cooperative</b> <b>Insurance Co.</b>	<b>Articles of Association</b>		<b>Ministry of Commerce</b> <b>(Operation Department)</b>
<b>Commercial Register No.</b> <b>1010237214</b>	<b>Date: 16/01/1446</b> <b>Corresponding to 22/07/2024</b>		
	Page No.	Page 9 of 18	

\* A copy of the Articles of Association was published pursuant to the resolution of the Extraordinary General Assembly dated 04/06/2024.

**Article (27): Competences of the Constituent Assembly:**

The Constituent Assembly shall be concerned with the following matters:

A- Verifying that the company has subscribed to all the shares of the company and that the minimum amount of capital and the amount due from the value of the shares have been met in accordance with the provisions of the system.

B- Discussing the report of evaluating the in-kind shares.

C- Approval of the final texts of the company's articles of association, provided that substantial amendments are not made to the system presented to it except with the approval of all subscribers represented therein.

D- Appointing the members of the first board of directors for a period not exceeding five years and the first auditor if they have not been appointed in the company's articles of association or its statute.

E- Discussing and approving the founders' report on the business and expenses required for establishing the company. The Ministry of Commerce, as well as the Capital Market Authority, may delegate one (or more) delegates as an observer to attend the company's founding assembly to ensure that the provisions of the system are implemented.

**Article (28): The Ordinary General Assembly Powers:**

With the exception of the matters that fall within the jurisdiction of the Extraordinary General Assembly, the Ordinary General Assembly has the competency over all matters related to the company and is held at least once a year during the six months that follow the end of the company's fiscal year. Other Ordinary General Assemblies may be called for whenever it is necessary.

**Article (29): The Extraordinary General Meeting Competencies:**

The Extraordinary General Meeting (EGM) is empowered to amend the company's Articles of Association, with the exception of provisions that are prohibited from being amended. It may also has the authority to take decisions on matters falling within the jurisdiction of the Ordinary General Meeting under the same conditions and procedures prescribed for the Ordinary General Meeting.

**Article (30): Invitation to Convene General Assemblies:**

1- General and special meetings of the Shareholders shall be convened by invitation from the Board of Directors. The board of directors shall call for the Ordinary General Meeting if requested by the auditor, the Audit Committee, or one or more Shareholders representing at least 10% of the company's shares with voting rights. The auditor may also call for convening the meeting if the Board fails to do so within 30 days of the date of the auditor's request.

2. The Capital Market Authority (CMA) may, by decision, call for convening the Ordinary General Meeting (OGM) in the following cases:

A. If the specified period for convening the meeting (within the six months following the end of the company's fiscal year) has expired without the meeting being held.

Company's Name Saudi Arabian Cooperative Insurance Co.	Articles of Association		Ministry of Commerce (Operation Department)
Commercial Register No. 1010237214	Date: 16/01/1446 Corresponding to 22/07/2024		
	Page No.	Page 10 of 18	

\* A copy of the Articles of Association was published pursuant to the resolution of the Extraordinary General Assembly dated 04/06/2024.

B. If the number of members of the Board of Directors falls below the minimum number required to hold a valid meeting.  
C. If it is found that there are violations of the provisions of the law or the company's Articles of Association, or that there is mismanagement of the company.

D. If the Board does not invite the General Meeting to convene within fifteen days of the date of the request from the auditor, the audit committee, or one or more shareholders representing at least 10% of the company's shares with voting rights.

3- This invitation and the agenda shall be published at least 21 (twenty-one) days before the scheduled date of the meeting, and a copy of the invitation and the agenda shall be sent to the Ministry of Commerce and the Capital Market Authority. However, it may be sufficient to send the invitation on the aforementioned time to all shareholders by registered letters, or by announcing the invitation through modern technological means. Decisions are made by a majority vote of those present, and a copy of the invitation and the agenda shall be sent to the Capital Market Authority within the specified publication period.

**Article (31): The Attendance Record of General Meetings:**

Shareholders wishing to attend the general or special meeting shall register their names at the company's main office before the scheduled time of the meeting, or through the means specified by the company in the invitation or on its website. The company's general meeting may be held using modern technological means.

**Article (32): The Quorum for the Ordinary General Meeting:**

1- An Ordinary General Meeting shall not be valid unless attended by the shareholders representing at least one-quarter (25%) of the company's shares with voting rights, unless the Company's Articles of Association specify a higher percentage, provided that it does not exceed one-half (50%).

2- If the quorum requirement specified in paragraph (1) of this article is not met for the Ordinary General Meeting, a second meeting shall be convened within thirty (30) days following the previous meeting. The invitation for the meeting shall be published in the manner specified in article (30) of these articles. However, the second meeting may be held one hour after the expiration of the time specified for the first meeting, provided that the invitation for the first meeting includes a declaration indicating the possibility of holding this meeting. In all cases, the second meeting shall be valid regardless of the number of shares with voting rights represented therein.

**Article (33): The Quorum for the Extraordinary General Meeting:**

1- An Extraordinary General Meeting (EGM) is not valid, unless attended by the shareholders representing at least one-half (50%) of the company's shares with voting rights.

2- If the quorum requirement specified in paragraph (1) of this article is not met for an extraordinary general meeting (EGM), a second meeting shall be convened under the same conditions specified in article (30) of these articles. However, the second meeting may be held one hour after the expiration of the time specified for the first meeting, provided that the invitation for the first meeting includes a declaration indicating the possibility of holding this meeting. In all cases, the second meeting shall be valid if attended by the shareholders representing at least one-quarter (25%) of the company's shares with voting rights.

Company's Name Saudi Arabian Cooperative Insurance Co.	Articles of Association		Ministry of Commerce (Operation Department)
Commercial Register No. 1010237214	Date: 16/01/1446 Corresponding to 22/07/2024		
	Page No.	Page 11 of 18	

\* A copy of the Articles of Association was published pursuant to the resolution of the Extraordinary General Assembly dated 04/06/2024.

3- If the quorum requirement is not met at the second meeting, a third meeting shall be convened under the same conditions specified in article (30) of these articles, the third meeting shall be valid regardless of the number of shares represented therein, after obtaining the approval of the Capital Market Authority.

**Article (34): The Voting in General Meetings:**

In both Ordinary and Extraordinary General Meetings, votes are counted on the basis of one vote per share. Cumulative voting must be used in the election of the Board of Directors, no shareholder may cast more than one vote per share, and members of the Board of Directors may not participate in voting on general meeting resolutions that concern their discharge from the liability for the management of the company or that concern their direct or indirect interest or that involve a conflict of interest.

**Article (35): The Meetings Resolutions:**

Resolutions in the Ordinary General Meeting are issued pursuant to the approval of the majority of voting rights represented at the meeting. However, if these resolutions relate to the granting of special benefits, the approval of the majority of the subscribers to the shares representing (two-thirds) of the aforementioned shares is required, after excluding the shares subscribed to by the beneficiaries of the special benefits, and the resolutions in the Extraordinary General Meeting are issued with the approval of two-thirds of the voting rights represented at the meeting. However, if the resolution relates to an increase or decrease of the capital, an extension of the company's duration, the dissolution of the company before the period specified in its Articles of Association, or its merger with another company, or its division into two or more companies, the resolution shall not be valid unless it is issued by a majority of three-quarters of the shares with voting rights represented at the meeting."

**Article (36): The Discussion in the General Meetings:**

Every shareholder has the right to discuss the topics on the agenda of the general meeting and to direct questions about them to the members of the Board of Directors and the auditors. And any provision in these articles that deprives the Shareholder of this right shall be null and void and the Board of Directors or the auditors shall answer the Shareholders' questions to the extent that does not harm the company's interests. If the Shareholder finds that the response to his question is not convincing, he may invoke to the general meeting, and its decision in this regard shall be binding.

**Article (37): Presiding over Meetings and Preparing Minutes:**

1- The general meeting shall be chaired by the Chairman of the Board of Directors or his deputy in his absence, or by a member of the Board of Directors delegated by the Board for that purpose, in the event of the absence of both the Chairman and the Deputy Chairman. And if that is not possible, the general meeting shall be chaired by a member of the Board or another person delegated by the Shareholders through a vote.

2- The Minutes of the General Assembly shall be prepared, and shall include the number of Shareholders present or represented, the number of shares held by them in their own right or by proxy, the number of votes allocated to them, the decisions taken, the number of votes that approved or disagreed with them, and a comprehensive summary of the discussion that took place at the meeting, and the minutes shall be recorded regularly after each meeting in a special register signed by the Chairman of the Meeting, its Secretary, and the vote collector.

<b>Company's Name</b> <b>Saudi Arabian Cooperative Insurance Co.</b>	<b>Articles of Association</b>		<b>Ministry of Commerce</b> <b>(Operation Department)</b>
<b>Commercial Register No.</b> <b>1010237214</b>	<b>Date: 16/01/1446</b> <b>Corresponding to 22/07/2024</b>		
	Page No.	Page 12 of 18	

\* A copy of the Articles of Association was published pursuant to the resolution of the Extraordinary General Assembly dated 04/06/2024.

## **Chapter Six**

### **BOD Sub-Committees**

#### **Article (38): The Board Committees:**

The Board committees are formed in accordance with the relevant regulations and by-laws.

## **Chapter Seven**

### **Auditor**

#### **Article (39): The Appointment of Auditors:**

- 1- The general meeting shall appoint one or more auditors from among the auditors licensed to operate in the Kingdom, and shall determine their remuneration and term of office. The general meeting may reappoint them, provided that the total period of the appointment does not exceed seven consecutive or separate years, an auditor who has exhausted this period may be reappointed after a period of not less than three consecutive years from the end of the last financial year in which it audited the company's accounts.
- 2- The Auditors may be dismissed by a resolution of the general meeting, the Chairman of the Board of Directors shall notify the competent authorities of the dismissal decision and its reasons within a period not exceeding five days from the date of the decision's issuance.
- 3- The Auditors may resign from their duties by submitting written notice to the company. Their duties shall end from the date of submission or on a later date as specified in the notice, without prejudice to the company's right for compensation for any damages it may suffer if such damages are justified. Upon resigning, the auditors shall submit a statement to the company and the competent authority explaining the reasons for the resignation, the Chairman of the Board of Directors shall convene the ordinary general meeting to consider the reasons for the resignation and appoint other auditors, determine their fees, term, and scope of work.
- 4- It is not permissible to combine the work of an auditor with the participation in the incorporation, management, or Board of Directors of the company the accounts of which the auditor audits. The auditor may not be a partner of any of the company's founders, managers, or members of the board of directors, nor an employee of any of them, nor a relative of any of them, and the auditor may not purchase or sell shares or stocks in the company the accounts of which the auditor audits during the audit period.

#### **Article (40): The Auditor's Powers:**

The auditor has the right - at any time - to inspect the company's books, records, and other documents, and may also request the information and explanations deemed necessary and verify the company's assets and liabilities, and anything else that falls within the scope of the auditor's work. And the Chairman of the Board of Directors shall facilitate the performance of the auditor's duties, and if the auditor encounters any difficulty in this regard, the auditor shall document it in a report submitted to the Board of Directors. If the board does not facilitate the work of the auditor, the

<b>Company's Name</b> <b>Saudi Arabian Cooperative Insurance Co.</b>	<b>Articles of Association</b>		<b>Ministry of Commerce</b> <b>(Operation Department)</b>
<b>Commercial Register No.</b> <b>1010237214</b>	<b>Date: 16/01/1446</b> <b>Corresponding to 22/07/2024</b>		
	Page No.	Page 13 of 18	

\* A copy of the Articles of Association was published pursuant to the resolution of the Extraordinary General Assembly dated 04/06/2024.

auditor shall request the board of directors to convene the general meeting to consider the matter. The auditor may send this invitation if the board of directors does not send it within (thirty) days from the date of the auditor's request.

**Article (41): The Auditor's Responsibilities:**

The auditor shall submit to the general meeting an annual report on the company's financial statements, prepared in accordance with the approved auditing standards in the Kingdom. This report shall comment on the company management's cooperation in providing the requested information and explanations and any violations of the provisions of the Cooperative Insurance Companies Control System and its executive regulations, as well as the other related relevant laws, regulations, and instructions, and the company's statute. It shall also include the auditor's opinion on the fairness of the company's financial statements. The auditor shall present the report in the general meeting or review a summary of it in the annual general meeting.

## **Chapter Eight**

### **Company Accounts and Profit Distribution**

**Article (42): The Financial Year:**

The company's financial year begins on the first of January and ends on the last day of December of the same year. The first financial year shall begin from the date of the ministerial decision issued to announce the establishment of the company and shall end on December 31 of the following year.

**Article (43): The Financial Documents:**

- 1- At the end of each financial year, the Board of Directors shall prepare the financial statements, which shall consist of the Balance Sheet for the Insurance Operations and Shareholders, Statement of Income (Loss) from the Insurance Operations, Statement of Equity for Shareholders, Statement of Cash Flows for Insurance Operations, Statement of Cash Flows for Shareholders. And a report on the company's activities and financial position for the past financial year. This report shall include the method it proposes for distributing profits, and the board shall place these documents at the disposal of the auditors no less than (45) forty-five days before the date set for the convening of the general meeting.
- 2- The documents referred to in paragraph (1) shall be signed by the Chairman of the Board of Directors, the Chief Executive Officer, and the Chief Financial Officer. Copies of these documents shall be placed at the disposal of the shareholders, at the company's head office, no less than (21) twenty-one days before the date set for the convening of the general meeting.
3. The Chairman of the Board of Directors shall provide the shareholders with the company's financial statements, the signed report of the Board of Directors, and the auditor's report unless they have been published through any of the modern technology means. He shall also send a copy each of these documents to the Ministry of Commerce and the Capital Market Authority no less than (21) twenty-one days before the date set for the convening of the general meeting.

<b>Company's Name</b> <b>Saudi Arabian Cooperative Insurance Co.</b>	<b>Articles of Association</b>		<b>Ministry of Commerce</b> <b>(Operation Department)</b>
<b>Commercial Register No.</b> <b>1010237214</b>	<b>Date: 16/01/1446</b> <b>Corresponding to 22/07/2024</b>		
	Page No.	Page 14 of 18	

\* A copy of the Articles of Association was published pursuant to the resolution of the Extraordinary General Assembly dated 04/06/2024.

**Article (44): The Insurance Operations Accounts:**

The Insurance operations accounts are independent of the shareholders' income statement, as detailed below:

**First: The Insurance Operations Accounts:**

- 1- A separate account shall be set up for earned premiums, reinsurance commissions, and other commissions.
- 2- An account is set aside for the compensation incurred by the company.
- 3- At the end of each year, the total surplus shall be determined. This represents the difference between the total premiums and compensation, minus marketing, administrative, and operating expenses and the necessary technical provisions in accordance with the governing instructions.
- 4- The determination of the net surplus shall be as follows:

There shall be added or deducted from the total surplus mentioned in paragraph (3) above, what belongs to the insureds from the investment returns after calculating their share from the returns and deducting the incurred expenses.

- 5- The distribution of the net surplus, either by distributing (10%) ten percent to the insureds directly, or by reducing their premiums for the following year, and transferring (90%) ninety percent to the shareholders' income accounts.

**Second: The Shareholders' Income Statement:**

1. The Shareholders' profits from the return on investment of shareholders' funds shall be in accordance with the rules established by the Board of Directors.
2. The shareholders' share of the net surplus shall be as specified in sub-paragraph (5) of clause (1) of this article.

**Article (45): The Zakat, the Reserves, and the Profit Distribution:**

The company must do the following:

- 1- Paying the zakat and income tax prescribed by law.
2. Set aside (20%) of the net profits to form a legal reserve The ordinary general meeting may stop this allocation when the total reserve reaches (100%) of the paid-up capital.
- 3- The Ordinary General Meeting when determining the Shareholders share of the net profits, may decide to form other reserves, to the extent that serves the interest of the Company or ensures the distribution of fixed profits as much as possible to shareholders.
- 4- The company's annual net profits, as determined after deducting all general expenses and other costs, and forming the necessary reserves to cover doubtful debts, investment losses, and emergency obligations as deemed necessary by the Board of Directors in accordance with the provisions of the Cooperative Insurance Companies Supervision Law and the regulations issued by the Insurance Authority shall be distributed. From the remaining profits after deducting the reserves required by the relevant regulations and Zakat, a percentage of not less than 5% of the paid-up capital shall be allocated for distribution to shareholders in accordance with the proposal of the Board of Directors and the decision of the General Meeting, and if the remaining percentage of profits due to shareholders is not sufficient to pay this percentage, shareholders shall not be entitled to claim it in the current or subsequent years, and the General Meeting shall not decide to distribute a percentage of profits exceeding that proposed by the Board of Directors.

Company's Name Saudi Arabian Cooperative Insurance Co.	Articles of Association		Ministry of Commerce (Operation Department)
Commercial Register No. 1010237214	Date: 16/01/1446 Corresponding to 22/07/2024		
	Page No.	Page 15 of 18	

\* A copy of the Articles of Association was published pursuant to the resolution of the Extraordinary General Assembly dated 04/06/2024.

**Article (46): Dividend Entitlement:**

A shareholder is entitled to his share of the profits in accordance with the decision of the General Meeting issued in this regard, and the decision shall specify the date of entitlement and the date of distribution. The right to dividends shall be for the shareholders registered in the shareholders' register at the end of the designated record date. And the company shall notify the Capital Market Authority without delay of any decisions to distribute dividends or recommendations to do so. The dividends to be distributed shall be paid to the shareholders at the place and on the dates determined by the Board of Directors, in accordance with the instructions issued by the competent authority, taking into account the prior written approval of the Insurance Authority. The company may distribute interim dividends to its shareholders on a semi-annual or quarterly basis after obtaining the no-objection of the Insurance Authority and fulfilling the following requirements:

1. The Ordinary General Meeting has authorized the Board of Directors to distribute interim dividends pursuant to a decision that shall be renewed annually.
2. The company has good and regular profitability.
3. The company has reasonable liquidity and is able to reasonably anticipate the level of its profits.
4. The company has distributable profits according to the latest reviewed financial statements sufficient to cover the proposed dividend distribution after deducting any dividends distributed or capitalized from those profits after the date of such financial statements.

**Article (47): The Company's Losses:**

If the company's losses reach (half) of the paid-up capital, the Board of Directors shall disclose this and its recommendations regarding such losses within (sixty) days from the date it became knowledgeable that the losses have reached this amount, and invite the Extraordinary General Assembly to meet within (one hundred and eighty) days from the date of its knowledge thereof to consider the continuation of the company, taking any necessary measures to address those losses, or its dissolution.

## Chapter Nine

### Disputes

**Article (48): The Company's Responsibility:**

The company shall be bound by all acts and dispositions carried out by the Board of Directors, even if they are outside the scope of the Board's authority, unless the interested party is acting in bad faith or knows that those acts are outside the board's scope of authority.

**Article (49): The Responsibilities of the Board Members:**

1- The Members of the Board of Directors shall be jointly and severally liable to compensate the company, the shareholders, or the third parties for any damage arising from their misuse of the company's affairs or their violation of the provisions of the Cooperative Insurance Companies Supervision Law and its executive regulations, other related

Company's Name Saudi Arabian Cooperative Insurance Co.	Articles of Association		Ministry of Commerce (Operation Department)
Commercial Register No. 1010237214	Date: 16/01/1446 Corresponding to 22/07/2024		
	Page No.	Page 16 of 18	

\* A copy of the Articles of Association was published pursuant to the resolution of the Extraordinary General Assembly dated 04/06/2024.



regulations, and instructions, and these articles, and any provision to the contrary shall be null and void. In cases where an error arises from a decision made unanimously by the Board of Directors, all members shall bear the responsibility. However, for decisions taken by a majority vote, dissenting members shall not be held liable provided they have clearly documented their objection in the meeting minutes. Absence from the meeting in which the decision was taken does not exempt a member from liability unless it is proven that the absent member was unaware of the decision or was unable to object to it after becoming aware of it.

2- Approval by the General Meeting of the discharge of the Board of Directors' liability shall not bar the filing of a liability lawsuit.

3- A liability lawsuit shall not be heard after the expiration of (3) three years from the date of discovery of the harmful act. Except for cases of fraud and forgery, in all cases, a liability lawsuit shall not be heard after the lapse of (5) five years from the end of the fiscal year in which the harmful act occurred or (3) three years from the end of the membership of the concerned Board member, whichever is later.

4- Each Shareholder has the right to file a liability lawsuit on behalf of the company against the Board members if the error they committed caused him special harm. However, a shareholder may not file such a lawsuit unless the company's right to do so still exists. The shareholder must notify the company of his intention to file the lawsuit, limiting his right to claim compensation for the specific harm he has suffered.

5- The company may be held liable for the following expenses incurred by the shareholder in filing a lawsuit, regardless of the outcome, under the following conditions:

A. If the lawsuit was filed in good faith.

B. If the shareholder presented the company with the reason for filing the lawsuit and did not receive a response within thirty days.

C. If it is in the best interest of the company to file this lawsuit pursuant to Article (32) of the Companies Regulations.

D. The lawsuit must be based on a valid legal basis.

## Chapter Ten

### Company Liquidation

#### Article (50): The Dissolution of the Company:

1- Upon its dissolution, the company enters into liquidation and retains its legal personality to the extent necessary for the liquidation process.

2- The decision for voluntary liquidation shall be issued by the extraordinary general meeting.

3- The liquidation decision must include the appointment of the liquidators, the definition of their powers and fees, the limitations on their powers, and the time period necessary for the liquidation. The duration of the voluntary liquidation shall not exceed (5) five years, and it may not be extended beyond that except by a court order.

4- The authority of the company's Board of Directors shall terminate upon its dissolution. However, the board members shall remain in charge of the management of the company and shall be considered by third parties as liquidators until

<b>Company's Name</b> Saudi Arabian Cooperative Insurance Co.	<b>Articles of Association</b>		<b>Ministry of Commerce</b> (Operation Department)
<b>Commercial Register No.</b> 1010237214	<b>Date: 16/01/1446</b> <b>Corresponding to 22/07/2024</b>		
	Page No.	Page 17 of 18	

\* A copy of the Articles of Association was published pursuant to the resolution of the Extraordinary General Assembly dated 04/06/2024.

the appointment of the liquidator. The company's organs shall retain their powers during the liquidation period as long as they do not conflict with the powers of the liquidators. The company's assemblies shall remain in place during the liquidation period, and their role shall be limited to exercising their powers which do not conflict with the powers of the liquidator. In the liquidation process, due consideration shall be given to preserving the rights of policyholders to the surplus of insurance operations and the reserves constituted pursuant to Articles (44) and (45) of these Articles.

## Chapter Eleven

### Final Provisions

#### **Article (51): The Company's Articles of Association:**

The provisions of the Cooperative Insurance Companies Supervision Law and its executive regulations, the Companies Law and its regulations, and other related laws, regulations, and instructions shall apply to all matters not mentioned in these Articles of Association.

#### **Article (52): Publication:**

These articles shall be deposited and published in accordance with the Companies Law and its Regulations.

<b>Company's Name</b> Saudi Arabian Cooperative Insurance Co.	<b>Articles of Association</b>		<b>Ministry of Commerce</b> (Operation Department)
<b>Commercial Register No.</b> 1010237214	<b>Date: 16/01/1446</b> <b>Corresponding to 22/07/2024</b>		
	Page No.	Page 18 of 18	

\* A copy of the Articles of Association was published pursuant to the resolution of the Extraordinary General Assembly dated 04/06/2024.