

Al Rajhi Takaful

**The Articles of Association for Al Rajhi Cooperative Insurance
Company**

A Saudi Joint Stock Company

Classified for Internal Use by Al Rajhi Takaful®

Al Rajhi Takaful

Chapter One:

Incorporation of the Company:

Article 1: Incorporation:

The company is incorporated in accordance with the provisions of the Cooperative Insurance Companies Control Law and its Implementing Regulations, the Companies Law and its Implementing Regulations, the Capital Market Law and its Implementing Regulations, and the Articles of Association of the company. It shall be a Saudi joint stock company among the shareholders whose rules are outlined below.

Article 2: Name of the Company:

Al Rajhi Cooperative Insurance Company - Al Rajhi Takaful - A Saudi Joint Stock Company.

Article 3: Objectives of the Company:

To engage in cooperative insurance activities in the branches of general insurance, health insurance, and protection and savings insurance. The company may undertake all necessary activities to achieve its objectives and shall conduct its activities in accordance with the Cooperative Insurance Companies Control Law, its Implementing Regulations, the regulations issued by the Saudi Central Bank, and the applicable laws and regulations in the Kingdom of Saudi Arabia, and after obtaining the necessary licences from the relevant authorities, if any.

Article 4: Participation and Ownership in Companies:

The company may establish limited liability companies or single-shareholder joint stock companies. It may also own shares and stakes in existing companies or merge with them. The company has the right to participate with others in establishing joint stock companies or limited liability companies, provided that the companies it establishes, participates in, or merges with, engage in similar activities, financial activities, or activities that support its objectives. This shall be done after fulfilling the requirements of the relevant laws and regulations and obtaining approval from the Saudi Central Bank.

Article 5: Principal Office of the Company:

The principal office of the company shall be in Riyadh, Kingdom of Saudi Arabia. The General Assembly may, by an extraordinary resolution, transfer the principal office to any other city within the Kingdom of Saudi Arabia with the approval of the Saudi Central Bank. The company may establish branches, offices, or agencies within or outside the Kingdom of Saudi Arabia after obtaining approval from the Saudi Central Bank.

Article 6: Duration of the Company:

The duration of the company shall be ninety-nine (99) Gregorian years commencing from the date of its registration in the Commercial Register. The duration may be extended by a resolution of the General Assembly at least one year prior to the expiration of this period.

Chapter Two:

Rules Governing the Company's Conduct of Business and Specified Objectives:

Article 7: Company Investments:

The company shall invest the funds accumulated from policyholders and shareholders in accordance with the rules set by the Board of Directors, provided that such investments do not contravene the Cooperative Insurance Companies Control Law and its Implementing Regulations, and the regulations and directives issued by the Saudi Central Bank or any other relevant authority.

Chapter Three:

Capital and Shares:

Article 8: Capital:

The company's capital is one billion Saudi Riyals (SAR 1,000,000,000), divided into one hundred million (100,000,000) shares of equal value, with a nominal value of ten (10) Saudi Riyals per share. All shares are ordinary cash shares.

Article 9: Subscription to Shares:

The shareholders have subscribed to the entire capital of the company and have paid the full value.

Article 10: Shareholders' Register:

The company's shares shall be traded in accordance with the provisions of the Capital Market Law and its Implementing Regulations.

Article 11: Issuance of Shares:

The company's shares shall be nominal and may not be issued at less than their nominal value, although they may be issued at a

premium. In the latter case, the premium shall be recorded in a separate account within shareholders' equity and shall not be distributed as dividends to shareholders. A share is indivisible against the company; if a share is jointly owned by multiple persons, they must select one among them to represent them in exercising the rights associated with the share. These persons shall be jointly liable for the obligations arising from the ownership of the share.

Article 12: Trading of Shares:

1. The shares subscribed by the founders shall not be traded until the financial statements for two fiscal years, each not less than twelve (12) months, from the date of the company's incorporation, have been published and after obtaining the approval of the Saudi Central Bank. The certificates of these shares shall be annotated to indicate their type, the date of the company's incorporation, and the period during which they are prohibited from being traded.
2. During the restriction period, the ownership of the shares may be transferred in accordance with the provisions of rights transfer from one founder to another founder, from the heirs of a deceased founder, or in the case of execution against the assets of an insolvent or bankrupt founder, provided that the priority of acquiring these shares is given to the other founders.
3. The provisions of this Article shall apply to shares subscribed by the founders in the event of an increase in capital before the expiration of the restriction period.

Article 13: Increase of Capital:

1. The Extraordinary General Assembly may decide to increase the capital of the company, after obtaining the approval of the Saudi Central Bank and the Capital Market Authority, provided that the capital has been fully paid. The capital need not be fully paid if the unpaid portion of the capital pertains to shares issued in exchange for the conversion of

- debt instruments or financing instruments into shares, and the period for their conversion into shares has not yet expired.
2. The Extraordinary General Assembly may, in all cases, allocate the issued shares upon the capital increase, or part thereof, to employees of the company and its subsidiaries or any of them, and shareholders shall not exercise the pre-emptive right when the company issues shares allocated to employees.
 3. The shareholder owning the share at the time of the issuance of the resolution of the General Assembly approving the capital increase shall have priority in subscribing to the new shares issued for cash contributions. Such shareholders shall be notified of their priority, if any, by publication in a daily newspaper or by registered mail, indicating the resolution to increase the capital, the subscription terms, its duration, and the start and end dates.
 4. The Extraordinary General Assembly shall have the right to suspend the pre-emptive right of shareholders to subscribe to the capital increase for cash contributions or to give priority to non-shareholders in cases deemed appropriate for the company's interest.
 5. The shareholder shall have the right to sell or waive the pre-emptive right during the period from the issuance of the General Assembly's resolution approving the capital increase until the last day of subscription for the new shares associated with these rights, in accordance with the regulations set by the Capital Market Authority.

Article 14: Reduction of Capital:

1. The Extraordinary General Assembly may decide to reduce the capital if it exceeds the company's need or if the company incurs losses, after obtaining the approval of the Saudi Central Bank and the Capital Market Authority, provided that the paid-up capital shall not be less than three hundred million (300,000,000) Saudi Riyals. The reduction resolution shall not be issued except after reading a statement at the General Assembly meeting by the Board of Directors explaining the reasons for the reduction, the company's obligations, and the impact of the reduction on

these obligations, accompanied by a report from the company's auditor.

2. If the reduction of capital is due to its excess over the company's need, the creditors shall be invited to submit their objections, if any, to the reduction within forty-five (45) days from the date specified for the Extraordinary General Assembly meeting to decide on the reduction. The invitation shall be accompanied by a statement indicating the amount of the capital before and after the reduction, the date of the meeting, and the date of the reduction's effectiveness. If a creditor objects and submits their documents within the specified period, the company must settle their debt if it is due or provide sufficient security for its settlement if it is deferred.

Chapter Four:

Board of Directors:

Article 15: Management of the Company:

The management of the company shall be undertaken by a Board of Directors composed of eight (8) members with natural person status, elected by the Ordinary General Assembly for a term not exceeding four years. The composition of the Board of Directors must appropriately reflect representation from independent members. In all cases, the number of independent members on the Board shall not be less than two members or one-third of the Board members, whichever is greater.

Article 16: Termination of Board Membership:

1. The membership of the Board of Directors shall terminate upon the expiry of the Board's term, resignation, death, absence from three meetings within one year without a legitimate and acceptable excuse, or if the Board of Directors determines that the member has breached his duties in a manner detrimental to the company's interests, provided this is approved by the Ordinary General Assembly. Membership shall also terminate in accordance with any applicable laws or regulations in the Kingdom of Saudi

Arabia, or if the member is declared bankrupt or insolvent, submits a request for settlement with his creditors, ceases to pay his debts, suffers from a mental illness or physical disability that may prevent him from performing his duties fully, or is convicted of an act involving dishonour, breach of trust, forgery, or violation of the laws and regulations in the Kingdom of Saudi Arabia or any other country.

2. The Ordinary General Assembly may, at any time, dismiss all or some of the Board members without prejudice to the dismissed member's right to claim compensation from the company if the dismissal occurs for an unacceptable reason or at an inappropriate time. A Board member may resign, provided it is at an appropriate time, otherwise, he shall be liable to the company for any damages resulting from the resignation.
3. If a Board member resigns and has remarks on the company's performance, he must submit a written statement to the Chairman of the Board, which must be presented to the Board members.
4. The Saudi Central Bank must be notified in the event of the resignation or termination of any Board member for any reason other than the expiry of the Board's term within five (5) working days from the date of leaving office, taking into account the relevant disclosure requirements.

Article 17: Vacant Position on the Board:

In the event of a vacancy on the Board of Directors, the Board may appoint a member temporarily to the vacant position, provided that the appointee has sufficient expertise and after obtaining the non-objection of the Saudi Central Bank, regardless of the voting order in the General Assembly through which the Board was elected. The Ministry of Commerce and the Capital Market Authority must be notified within fifteen (15) days from the date of appointment, and this appointment shall be presented to the Ordinary General Assembly at its first meeting. The new member shall complete the term of his predecessor only.

Article 18: Powers of the Board:

1. Subject to the powers conferred on the General Assembly, the Board of Directors shall have the broadest authority in managing the company to achieve its objectives, except for matters specifically excluded by the Companies Law or these Articles of Association. The Board of Directors shall have the authority, for example but not limited to, to represent the company in its dealings with third parties and all companies, institutions, commercial banks, and financial houses, as well as all government financing funds and institutions under various names and jurisdictions, and other lenders, to discharge the company's debtors from their obligations, to participate in tenders, and to buy, sell, and mortgage real estate. The Board of Directors has the right to contract and sign on behalf of the company on all types of contracts, documents, and papers, including but not limited to the incorporation contracts of companies in which the company participates, with all their amendments and annexes, and resolutions of modification and to sign agreements and deeds before the notary public and official authorities, as well as loan agreements, guarantees, and collateral, to buy and sell real estate, issue legal powers of attorney on behalf of the company, to sell, purchase, discharge, accept, receive, lease, rent, open accounts, credits, draw, deposit in banks, issue guarantees to banks and government funds, sign all papers, promissory notes, cheques, all commercial papers and documents, and all banking transactions. The Board shall also have the right, within its jurisdiction, to delegate one or more of its members or others to undertake one or more specific tasks, provided it does not conflict with relevant laws and regulations.
2. The Board of Directors may contract loans of any duration, sell or mortgage the company's assets, or sell or mortgage the company's business premises, or discharge the company's debtors from their obligations, unless these Articles of Association or a resolution of the Ordinary General Assembly restricts the Board's powers in this regard.

Article 19: Remuneration of Board Members and Special Remuneration for the Chairman and Managing Director:

1. The remuneration of the members of the Board of Directors shall be a specified amount, an attendance allowance for meetings, in-kind benefits, or a certain percentage of the net profits. It is permissible to combine two or more of these benefits.
2. If the remuneration is a certain percentage of the company's profits, this percentage shall not exceed ten per cent (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, the Companies Law, and these Articles, and after distributing a profit to the shareholders of not less than five per cent (5%) of the paid-up capital of the company. The entitlement to this remuneration shall be proportionate to the number of meetings attended by the member, and any provision to the contrary shall be void.
3. In all cases, the total amount received by a Board member in terms of remuneration, financial, or in-kind benefits shall not exceed five hundred thousand (500,000) Saudi Riyals annually (excluding members of the Audit Committee), in accordance with the regulations set by the Capital Market Authority.
4. The Board of Directors' report to the Ordinary General Assembly must include a comprehensive statement of all amounts received by the Board members during the financial year, including remuneration, expense allowances, and other benefits. The report must also include a statement of the amounts received by Board members as employees or administrators, or for technical, administrative, or consulting work. Additionally, it should contain information on the number of Board meetings and the number of meetings attended by each member since the last General Assembly meeting.

Article 20: Powers of the Chairman, Duration of Membership, and Membership of the Deputy Chairman, Managing Director, and Secretary:

The Board of Directors shall appoint from among its members a Chairman and a Deputy Chairman. The Board shall also appoint a Chief Executive Officer, and it may appoint a Managing Director. The positions of Chairman of the Board and any executive position within the company cannot be held by the same person. The Chairman has the authority to sign on behalf of the company and implement the Board's decisions. The Chairman is responsible for representing the company before courts, arbitration panels, and third parties. By written resolution, the Chairman may delegate some of his powers to other Board members or third parties to carry out specific tasks. The Board of Directors shall determine the salaries, allowances, and remuneration for the Chairman and the Managing Director in accordance with Article 19 of these Articles. The Board must appoint a Secretary for the Board. The Board may also appoint one or more consultants in various company matters and determine their remuneration. The term of the Chairman, Deputy Chairman, Managing Director, and Secretary shall not exceed their respective terms as Board members. They may be re-elected, and the Board may dismiss any of them at any time without prejudice to their right to compensation if the dismissal occurs for an unlawful reason or at an inappropriate time.

Article 21: Board Meetings:

The Board shall meet at the invitation of its Chairman. The Chairman must call a meeting if requested to do so by two members. The invitation shall be documented in the manner deemed appropriate by the Board. The Board shall hold its meetings periodically and as needed, provided that the Board meets at least four (4) times annually, with at least one meeting every three months.

Article 22: Quorum for Board Meetings:

1. A Board meeting shall only be valid if at least half of the members (in person or by proxy) are present.

2. If the necessary quorum for a Board meeting is not met due to a shortage in the number of members below the minimum stipulated in these Articles, the remaining members must call for an Ordinary General Assembly within sixty (60) days to elect the required number of members.
3. The Capital Market Authority may call for an Ordinary General Assembly meeting if the number of Board members falls below the minimum required for a valid meeting.
4. A Board member may not appoint a proxy to attend a meeting on his behalf. However, a Board member may delegate another member to attend on his behalf.
5. Board resolutions shall be passed by a majority vote of the members present or represented. In the event of a tie, the side with which the Chairman votes shall prevail.
6. The Board of Directors may pass resolutions on urgent matters by circulating them to the members individually unless any member requests, in writing, a Board meeting for deliberation. In this case, the resolutions passed by circulation shall be presented to the Board at its next meeting to be recorded in the minutes of that meeting.

Article 23: Board Deliberations:

The deliberations and resolutions of the Board shall be recorded in minutes signed by the Chairman of the meeting, the attending Board members, and the Secretary. These minutes shall be entered in a special register signed by the Chairman of the Board and the Secretary.

Article 24: Agreements, Contracts, Conflict of Interest, and Competition with the Company:

1. The company shall have the right, after obtaining the non-objection of the Saudi Central Bank, to enter into a technical services management agreement with one or more qualified insurance companies.
2. A Board member shall not have any direct or indirect interest in the operations and contracts executed for the company's account without a license from the Ordinary General Assembly. The Board member must inform the Board of any

- direct or indirect interest he has in the operations and contracts executed for the company's account, and this notification shall be recorded in the minutes of the meeting.
3. The Board member shall not participate in voting on the resolution related to this matter in both the Board of Directors and the shareholders' meetings.
 4. The Board of Directors shall inform the Ordinary General Assembly at its next meeting of the operations and contracts in which a Board member has a direct or indirect interest, 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 request the competent judicial authority to annul the contract or compel the member to return any profit or benefit gained from it.
 6. Liability for damages resulting from the operations and contracts mentioned in paragraph (2) of this Article shall rest on the member with the interest in the operation or contract, as well as on the Board members if these operations or contracts were executed in violation of the provisions of this paragraph, or if they are proven to be unfair or involve a conflict of interest causing harm to the shareholders.
 7. Board members who oppose the resolution shall be exempt from liability if their objection is explicitly recorded in the minutes of the meeting. Absence from the meeting where the resolution is passed shall not be considered grounds for exemption from liability unless it is proven that the absent member was unaware of the resolution or was unable to object to it after becoming aware.
 8. A Board member shall not engage in any activity that competes with the company or competes with the company in any branch of the activity it practices. Otherwise, the company shall have the right to demand appropriate compensation from the member before the competent judicial authority, unless he has obtained a prior license from the Ordinary General Assembly—renewed annually—permitting him to do so.

Chapter Five:

Shareholders' General Assemblies:

Article 25: Attendance at General Assemblies:

1. The duly constituted General Assembly represents all shareholders and shall be held in the city where the company's head office is located.
2. Every shareholder, regardless of the number of shares he holds, has the right to attend General Assemblies of shareholders. He may also appoint another person, who is not a Board member or an employee of the company, to attend the General Assembly on his behalf. General Assembly meetings and shareholder participation in deliberations and voting on resolutions may be conducted via modern technological means in accordance with the regulations set by the Capital Market Authority.

Article 26: Powers of the Ordinary General Assembly:

Except for matters reserved for the Extraordinary General Assembly, the Ordinary General Assembly shall be competent to address all matters related to the company. It shall convene at least once a year within the six months following the end of the company's financial year. Additional Ordinary General Assembly meetings may be called whenever necessary.

Article 27: Powers of the Extraordinary General Assembly:

The Extraordinary General Assembly shall have the authority to amend the company's Articles of Association, except for provisions that are legally prohibited from being amended. It shall also decide on the continuation or dissolution of the company, approve the purchase of the company's own shares, and address matters specified by the relevant laws and regulations. The Extraordinary General Assembly may also pass resolutions on matters within the competence of the Ordinary General Assembly under the same terms and conditions applicable to the Ordinary General Assembly.

Article 28: Convening General Assemblies:

1. General or special assemblies of shareholders shall be convened by the Board of Directors. The Board must call an Ordinary General Assembly to convene if requested by the auditor, the audit committee, or shareholders representing at least ten per cent (10%) of the capital. The auditor may also call for a General Assembly meeting if the Board fails to do so within thirty (30) days from the date of the auditor's request.
2. The Capital Market Authority may call for an Ordinary General Assembly meeting in the following cases:
 - a) If six months have elapsed since the end of the company's financial year without holding the Ordinary General Assembly.
 - b) If the number of Board members falls below the minimum required for a valid meeting.
 - c) If there are violations of the law or the company's Articles of Association, or if there are significant issues in managing the company.
 - d) If the Board fails to call for the Ordinary General Assembly within the period specified in paragraph (1) of this Article following the request of the auditor or shareholders representing at least ten per cent (10%) of the voting shares.
3. The invitation to convene the General Assembly shall be sent at least twenty-one (21) days before the scheduled meeting date via modern technological means. A copy of the invitation and the agenda shall be sent to the Commercial Register and the Capital Market Authority, in accordance with the regulations outlined in the Companies Law and the relevant bylaws.

Article 29: Rules for Identifying Shareholders and Voting Rights:

The Board of Directors shall establish the rules and restrictions to verify the identity of shareholders participating in the General

Assembly meeting and to ensure each shareholder's right to vote on any agenda items.

Article 30: Quorum for the Ordinary General Assembly Meeting:

1. The Ordinary General Assembly meeting shall not be valid unless attended by shareholders representing at least one quarter of the shares with voting rights.
2. If the necessary quorum for the Ordinary General Assembly meeting is not met as per paragraph (1) of this Article, an invitation shall be sent for a second meeting to be held within thirty (30) days following the date set for the previous meeting. This invitation shall be published in the manner stipulated in Article 28 of these Articles. However, the second meeting may be held one hour after the end of the period specified for the first meeting, provided that the invitation for the first meeting includes an indication of the possibility of holding such a meeting. In all cases, the second meeting shall be valid regardless of the number of shares with voting rights represented therein.

Article 31: Quorum for the Extraordinary General Assembly Meeting:

1. The Extraordinary General Assembly meeting shall not be valid unless attended by shareholders representing at least one half of the shares with voting rights.
2. If the necessary quorum for the Extraordinary General Assembly meeting is not met as per paragraph (1) of this Article, an invitation shall be sent for a second meeting in the same manner stipulated in Article 28 of these Articles. The second meeting may be held one hour after the end of the period specified for the first meeting, provided that the invitation for the first meeting includes an indication of the possibility of holding such a meeting. In all cases, the second meeting shall be valid if attended by shareholders representing at least one quarter of the shares with voting rights.
3. If the necessary quorum for the second meeting is not met, an invitation shall be sent for a third meeting to be held in the

same manner stipulated in Article 28 of these Articles. The third meeting shall be valid regardless of the number of shares with voting rights represented therein.

Article 32: Voting in General Assemblies:

Votes in Ordinary and Extraordinary General Assemblies shall be counted on the basis of one vote per share. Cumulative voting must be used in the election of the Board of Directors, ensuring that the voting right attached to each share is not used more than once. Members of the Board of Directors shall not participate in voting on General Assembly resolutions relating to the discharge of their liabilities for managing the company or those related to transactions and contracts in which they have a direct or indirect interest or which involve a conflict of interest.

Article 33: Resolutions of General Assemblies:

Resolutions in the Ordinary General Assembly shall be passed by a majority of the voting rights represented at the meeting. However, if these resolutions pertain to the evaluation of special benefits, the approval of the majority of subscribers representing two-thirds of the shares mentioned, excluding those subscribed by the beneficiaries of the special benefits, is required. Resolutions in the Extraordinary General Assembly shall be passed by a two-thirds majority of the voting rights represented at the meeting. However, if the resolution pertains to an increase or decrease in capital, the extension of the company's term, the dissolution of the company before the term specified in its Articles of Association, or its merger with another company or its division into two or more companies, the resolution shall only be valid if passed by a three-quarters majority of the voting rights represented at the meeting.

Article 34: Discussion in General Assemblies:

Every shareholder has the right to discuss the items listed on the General Assembly's agenda and to pose questions regarding them to the members of the Board of Directors and the auditor. Any provision in the company's Articles of Association that deprives the shareholder of this right shall be void. The Board of Directors or the auditor shall answer the shareholders' questions to the extent

that does not harm the company's interests. If a shareholder deems the response to his question unsatisfactory, he may refer the matter to the General Assembly, whose decision shall be binding.

Article 35: Chairing General Assemblies and Preparation of Minutes:

1. The General Assembly shall be chaired by the Chairman of the Board of Directors or, in his absence, by the Deputy Chairman or a member of the Board appointed by the Board for this purpose in the absence of the Chairman and Deputy Chairman. If this is not possible, the General Assembly shall be chaired by a person elected by the shareholders from among the Board members or others by vote.
2. Minutes shall be recorded for the General Assembly meeting, including the number of shareholders present in person or by proxy, the number of shares they hold in person or by proxy, the number of votes entitled to each share, the resolutions adopted, the number of votes for or against each resolution, and a summary of the discussions that took place during the meeting. These minutes shall be regularly entered after each meeting in a special register signed by the Chairman of the Assembly, the Secretary, and the vote collectors.

Chapter Six:

Committees Formed by the Board of Directors:

Article 36: Board Committees:

Board committees shall be formed in accordance with the relevant laws and regulations.

Chapter Seven:

Auditors:

Article 37: Appointment of Auditors:

The General Assembly shall appoint one or more auditors from among those licensed to practice in the Kingdom and shall

determine their fees, term of office, and scope by a resolution of the Ordinary General Assembly. They may be reappointed, provided that the total continuous term does not exceed five years. An auditor who has exhausted this term may be reappointed after a lapse of three consecutive years from the end of the last financial year during which they audited the company's accounts. The General Assembly may also replace them at any time without prejudice to their right to compensation if the replacement occurs at an inappropriate time or for an unlawful reason. The Chairman of the Board must notify the competent authority of the dismissal decision and its reasons within five (5) days from the date of the decision.

Article 38: Powers of the Auditor:

The auditor shall have the right, at any time, to access the company's books, records, and supporting documents and to request any information and clarifications deemed necessary. The auditor may also verify the company's assets and liabilities and perform other duties within the scope of his work. The Board of Directors must facilitate the auditor's duties. If the auditor encounters any difficulties, this must be documented in a report submitted to the Board of Directors. If the Board does not facilitate the auditor's work, the auditor shall request the Board to call for an Ordinary General Assembly to address the matter. The auditor may call for this meeting if the Board fails to do so within thirty (30) days from the auditor's request.

Article 39: Obligations of the Auditor:

The auditor shall submit an annual report to the General Assembly prepared in accordance with generally accepted auditing standards, including the company's management's position regarding the provision of requested information and clarifications. The report shall also disclose any violations of the Cooperative Insurance Companies Control Law, its Implementing Regulations, other relevant laws, and the company's Articles of Association, and provide an opinion on the fairness of the company's financial statements. The auditor shall read the report or present a summary of it at the annual General Assembly.

Chapter Eight:

Company Accounts and Distribution of Profits:

Article 40: Financial Year: The company's financial year shall commence on the 1st of January and end on the 31st of December of the same year. The first financial year shall begin on the date of the Ministerial Resolution announcing the company's incorporation and shall end on the 31st of December of the following year.

Article 41: Financial Documents:

1. At the end of each financial year, the Board of Directors must prepare the financial statements, which shall include the statement of financial position for insurance operations and shareholders, the statement of surplus (deficit) of insurance operations, the statement of shareholders' income, the statement of shareholders' equity, the statement of cash flows for insurance operations, and the statement of cash flows for shareholders. Additionally, a report on the company's activities and financial position for the concluded financial year shall be prepared. This report shall include the proposed method for profit distribution. The Board shall make these documents available to the auditor at least forty-five (45) days before the scheduled date of the General Assembly meeting.
2. The Chairman of the Board of Directors, the Chief Executive Officer, and the Chief Financial Officer must sign the documents mentioned in paragraph (1) and deposit copies at the company's head office for shareholders' access.
3. The Chairman of the Board of Directors must provide shareholders with the signed financial statements, the Board of Directors' report, and the auditor's report, if available, unless published via modern technological means, at least twenty-one (21) days before the scheduled General Assembly meeting. The Chairman must also file these documents as specified by regulatory requirements.

Article 42: Insurance Operations Accounts: The accounts of insurance operations shall be separate from the shareholders' income statement, as detailed below:

First: Insurance Operations Accounts:

1. An account shall be set for earned premiums, reinsurance commissions, and other commissions.
2. An account shall be set for the claims incurred by the company.
3. At the end of each year, the total surplus, representing the difference between total premiums and claims after deducting marketing, administrative, and operational expenses and the necessary technical provisions as per regulatory instructions, shall be determined.
4. The net surplus shall be determined as follows: The total surplus mentioned in paragraph (3) above shall be adjusted by adding or deducting the investment returns attributable to the policyholders after accounting for their returns and deducting their incurred expenses.
5. The net surplus distribution shall be either by directly distributing ten per cent (10%) to the policyholders or by reducing their premiums for the following year, with ninety per cent (90%) transferred to the shareholders' income accounts.

Second: Shareholders' Income Statement:

1. Shareholders' profits shall come from the investment returns on shareholders' funds according to the rules set by the Board of Directors.
2. Shareholders' share of the net surplus shall be as stated in paragraph (5) of the first section of this Article.

Article 43: Zakat, Reserve, and Profit Distribution:

The company shall:

1. Set aside the statutory Zakat and income tax.
2. Allocate twenty per cent (20%) of the net profits to form a statutory reserve. The Ordinary General Assembly may stop

this allocation when the total reserve reaches one hundred per cent (100%) of the paid-up capital.

3. The Ordinary General Assembly may decide, when determining the dividends on net profits, to form other reserves to the extent that serves the company's interest or ensures the distribution of consistent dividends 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 unforeseen liabilities deemed necessary by the Board of Directors in accordance with the Cooperative Insurance Companies Control Law and the regulations issued by the Saudi Central Bank, shall be distributed. From the remaining profits after deducting the statutory reserves and zakat, a minimum of five per cent (5%) of the paid-up capital shall be allocated for distribution to the shareholders as proposed by the Board of Directors and approved by the General Assembly. If the remaining profits allocated to the shareholders are insufficient to pay this percentage, shareholders shall not claim the deficit in subsequent years. The General Assembly may not approve a dividend distribution exceeding the amount proposed by the Board of Directors.

Article 44: Entitlement to Profits:

A shareholder shall be entitled to his share of the profits as per the resolution of the General Assembly in this regard. The resolution shall specify the entitlement date and the distribution date. The entitlement to profits shall be for shareholders registered in the shareholders' records at the end of the specified entitlement date. The company shall promptly inform the Capital Market Authority of any resolutions or recommendations concerning profit distribution. The profits to be distributed to shareholders shall be paid at the locations and times specified by the Board of Directors, in accordance with the instructions issued by the competent authority and subject to prior written approval from the Saudi Central Bank.

Article 45: Company Losses:

If the company's losses reach half of the issued capital, the Board of Directors must disclose this and provide its recommendations regarding these losses within sixty (60) days of becoming aware of them. The Board must call for an Extraordinary General Assembly to meet within one hundred and eighty (180) days from the date of awareness to consider whether to continue the company with appropriate measures to address these losses or to dissolve it.

Chapter Nine:

Disputes:

Article 46: Company Liability:

The company shall be bound by all actions and transactions conducted by the Board of Directors in its name, even if outside its scope of authority, unless the counterparty is in bad faith or knows that such actions are beyond the Board's authority.

Article 47: Liability of Board Members:

1. Board members shall be jointly and severally liable for compensating the company, shareholders, or third parties for damages resulting from violations of the Companies Law, relevant regulations, or these Articles, or due to their errors, negligence, or failure in performing their duties. Any provision to the contrary shall be null and void. Liability shall apply to all Board members if the error results from a unanimous decision. If the decisions are made by majority vote, dissenting members shall not be held liable if they explicitly recorded their objection in the minutes of the meeting. Absence from the meeting at which the decision was made 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.
2. The approval of the Ordinary General Assembly to discharge the Board members from liability does not prevent the filing of a liability lawsuit.

3. Except in cases of forgery and fraud, a liability lawsuit shall not be heard after five (5) years from the end of the financial year in which the harmful act occurred, or three (3) years from the end of the membership of the Board member concerned, whichever is later.
4. A shareholder or more representing five per cent (5%) of the company's capital may file a liability lawsuit on behalf of the company if the company fails to do so, provided the primary purpose of the lawsuit is to serve the company's interests, the lawsuit is based on valid grounds, the claimant acts in good faith, and is a shareholder at the time of filing the lawsuit.
5. To file the lawsuit mentioned in paragraph (4) of this Article, the shareholders must notify the company's Board of Directors of their intention to file the lawsuit at least fourteen (14) days before filing.
6. A shareholder may file a personal lawsuit against Board members if the error committed by them causes special harm to him.

Chapter Ten:

Liquidation of the Company:

Article 48: Dissolution of the Company:

1. Upon dissolution, the company shall enter the liquidation phase and retain its legal personality to the extent necessary for the liquidation process.
2. The resolution for voluntary liquidation shall be issued by the partners or the General Assembly.
3. The liquidation resolution must include the appointment of the liquidator, the determination of his powers and fees, the restrictions on his authority, and the time frame required for the liquidation process, which should not exceed five (5) years. This period may not be extended beyond this duration except by judicial order.
4. The authority of the Board of Directors ceases upon the dissolution of the company. However, the Board members shall continue managing the company and shall be

considered as liquidators concerning third parties until a liquidator is appointed. During the liquidation period, the company's organs shall retain their respective powers to the extent that they do not conflict with the liquidator's authority. During the liquidation, the rights of policyholders to the surplus of insurance operations and the reserves formed, as stipulated in Articles 42 and 43 of these Articles, shall be preserved.

Chapter Eleven:

Final Provisions:

Article 50: Company's Law

The provisions of the Cooperative Insurance Companies Control Law and its Implementing Regulations, the Companies Law and its bylaws, and other relevant laws, regulations, and instructions shall apply to all matters not mentioned in these Articles of Association.

Article 49: Publication:

These Articles of Association shall be filed and published in accordance with the Companies Law and its bylaws.

Company Name:	Articles of Association	Ministry of Commerce (Department of Companies)
Al Rajhi Cooperative Insurance (Al Rajhi Takaful) (Saudi Joint Stock Company)		

Commercial Registration No. 1010270371	Date: 18/12/1445 H, Corresponding to 24/06/2024 G		Hoda Al- Jasser [Signed]	[Seal: Ministry of Commerce, Riyadh Branch]
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