

Company Name Chubb Arabia Cooperative Insurance	COMPANY BYLAWS	Ministry of Commerce (Corporate Governance Department)
CR 2051043431	Date: 29/12/1441H Corresponding to: 19/8/2020	

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Part I Incorporation

Article (1): Establishment of the Company:

In accordance with the provisions of the Cooperative Insurance Companies Control Law and its implementing regulations, the Companies Law, the Capital Market Law and its implementing regulations and these Bylaws, it is hereby established a Saudi joint stock company by and among the owners of the shares whose provisions are set out below.

Article (2): Name of the Company:

Chubb Arabia Cooperative Insurance, a Saudi Joint Stock Company.

Article (3): Purposes of the Company:

To transact insurance business (general, protection & savings). Furthermore, the Company has the right to engage in all necessary activities to realize its objectives, whether in respect of insurance or the investment of its funds, and to own, transfer, sell, replace or lease fixed and monetary assets directly on its own, or through companies that the Company forms or purchases, or in conjunction with other parties. The Company shall do its business in accordance with the provisions of the Cooperative Insurance Companies Control Law and its implementing regulations and the laws and regulations in force in the Kingdom of Saudi Arabia, subject to obtaining necessary licenses from the competent authorities, if any.

Article (4): Participation and Ownership in Companies:

The Company may establish limited liability or closed joint stock companies, provided that the capital shall not be less than five (5) million Saudi riyals, and may own stocks and shares in or merge with other existing companies, and has the right to participate with others in establishing joint stock or limited liability companies, provided that such companies established, participated in or merged with by the Company are engaged in activities similar to those of the Company, in financial business or in business that helps the Company achieve its purposes, subject to meeting the requirements of relevant laws and instructions and obtaining the approval of the Saudi Arabian Monetary Authority (SAMA).

Article (5): Head Office:

The Company's head office shall be located in Khobar, Saudi Arabia. The head office may, by a resolution of the Extraordinary General Assembly, be transferred to any other city within Saudi Arabia with the approval of SAMA. The Company may establish branches, other offices or agencies within or outside Saudi Arabia, subject to approval by SAMA.

Article (6): Term:

The term of the Company shall be ninety-nine (99) Gregorian years starting from the date of its registration in the Commercial Register and may be extended by a resolution of the Extraordinary General Assembly taken at least one (1) year prior to the expiration of such term.

Part II**Rules to be complied with by the Company in the carrying out of its specified activities and purposes****Article (7): Investments:**

The Company shall invest pooled funds of the insureds and shareholders of the Company in accordance with the rules laid down by the Board of Directors, without prejudice to the Cooperative Insurance Companies Control Law and its implementing regulations and other relevant regulations and instructions issued by SAMA or any other relevant body.

Part III**Capital and Shares****Article (8): Capital:**

The share capital of the Company shall be two hundred million (200.000.000) Saudi riyals, divided into twenty million (20.000.000) shares of equal nominal value of ten (10) Saudi riyals each, all of which are ordinary cash shares.

Article (9): Subscription to Shares:

The shareholders have subscribed to the entire capital of the Company and its value has been paid in full.

Article (10): Shareholder Register:

The shares of the Company shall be traded in accordance with the provisions of the Capital Market Law and its implementing regulations.

Article (11): Issuance of Shares:

The shares of the Company shall be nominal shares and may not be issued at less than their par value. However, the shares may be issued at a value higher than their par value, in which case the difference in value shall be added as a separate item under shareholder's equity and shall not be distributed as dividends to the shareholders. A share shall be indivisible vis-à-vis the Company. In the event that a share is owned by several persons, they shall select one person from amongst them to exercise, on their behalf, the rights pertaining to the share and they shall be jointly liable for the obligations arising from the ownership of the share.

Article (12): Buyback, Sale and Pledge of Shares

In accordance with the principles and rules laid down by the competent authority, the Company may:

1. Buy back its ordinary or preferred shares with the approval of the Extraordinary General Assembly, without such buyback shares being entitled to voting in Shareholder Assemblies.
2. Buy back its shares to use them as treasury shares according to the purposes specified by the competent authority.
3. Buy back its shares for the purpose of allocating them as part of the employee stock plan.
4. Sell treasury shares in one or more tranches.

Article (13): Share Trading:

Shares subscribed to by the founders may be traded only upon the publication of the financial statements for two (2) fiscal years of at least twelve (12) months each from the date of incorporation of the Company. A notation shall be made on the respective share certificates indicating their class, the date of incorporation of the Company and the period during which each such certificate may not be traded. However, during such prohibition period, the transfer of the ownership of the shares shall be permissible in accordance with the provisions for the sale of rights by one founder to another or by the heirs of a founder to a third party in the event of the death of such founder, or in the event of execution against the property of an insolvent or bankrupt founder, provided that the priority for owning such shares shall be given to the other founders. The provisions of this Article shall apply to the shares to which the founders subscribe, in the event of a capital increase prior to the expiration of the prohibition period.

Article (14): Increase of Capital:

Subject to the approval of the competent authorities, the Extraordinary General Assembly may resolve to increase the Company's capital, provided that the capital has been paid in full. Shareholders holding shares as at the date of the resolution of the Extraordinary General Assembly approving the capital increase shall have a pre-emptive right to subscribe to new cash shares. Such shareholders shall be notified

of their pre-emptive right, if any, the resolution to increase the capital, the subscription conditions and the subscription period and its start and end dates by publication in a daily newspaper or via registered mail. The Extraordinary General Assembly may suspend the shareholders' pre-emptive rights to subscribe to a cash capital increase or give pre-emptive rights to non-shareholders where it deems this fit for the best interests of the Company. Shareholders may sell or assign their pre-emptive rights during the period from the issuance of the General Assembly's resolution approving the capital increase to the last day of the subscription period for the new shares associated with such rights, in accordance with the rules laid down by the competent authority.

Article (15): Decrease of Capital:

Subject to the approval of the competent authorities, the Extraordinary General Assembly may resolve to decrease the capital if it is in excess of the needs of the Company or if the Company has incurred losses, provided that, following a capital decrease, the Company's paid-up capital shall not be less than one hundred million (100.000.000) riyals. Such resolution shall be issued only after reading a special report prepared by the Auditor on the reasons justifying such decrease, the Company's obligations and the effect of the decrease on such obligations. If the capital decrease is due to its being in excess of the Company's needs, the Company's creditors must be invited to express their objection thereto within sixty (60) days from the date of publication of the decrease resolution in a daily newspaper distributed in the region where the Company's head office is located. Should any creditor object and present to the Company evidentiary documents within the time limit stated above, the Company shall pay such creditor's debt if it is already due or provide the creditor with an adequate guarantee of payment if the debt is due on a later date.

**Part IV
Board of Directors**

Article (16): Management of the Company:

The Company shall be managed by a Board of Directors (the "Board") consisting of at least nine (9) members to be elected by the Ordinary General Assembly for a term not exceeding three (3) years. The Board composition shall reflect sufficient representation of independent members. In all cases, the number of the Board's independent members shall not be less than two (2) members or one-third of the Board members, whichever is greater. As an exception, the Constituent Assembly shall appoint the members of the first Board for a term not exceeding three (3) years starting from the date of the declaration by the Ministry of Commerce and Investment of the incorporation of the Company.

Article (17): Termination of Membership:

Membership on the Board of Directors shall terminate upon the expiration of the appointment term, resignation or death or if the Board finds that the member has breached his duties in a manner that is detrimental to the interests of the Company, subject to the approval of the Ordinary General Assembly, or upon the termination of the member's membership under any law or instructions in force in Saudi Arabia, or if the member is declared bankrupt or insolvent, applies for a composition with his creditors, ceases to pay his debts, becomes unconscious or mentally ill or is proven to have committed an act contrary to honesty and morals or convicted of forgery. However, the Ordinary General Assembly may, at all times, dismiss all or some of the members of the Board of Directors, without prejudice to the right of a dismissed member to hold the Company liable for compensation if the dismissal has taken place without acceptable justification or at an improper time. A board member may resign from office, provided that such resignation occurs at an appropriate time, otherwise he shall be held liable to the Company for damage resulting from his resignation.

Article (18): Vacancies:

If the position of a Board member becomes vacant, the Board may, on a temporary basis, appoint an adequately experienced member to the vacant position, subject to obtaining a *no objection* certificate from SAMA and regardless of the number of votes obtained at the General Assembly meeting that elected the Board. The Capital Market Authority shall be notified accordingly within five (5) working days from the date of appointment, and such appointment shall be presented to the General Assembly at its first next meeting. The new member shall only complete his predecessor's term of office. The Ordinary General Assembly may, by a resolution of the Competent Authority, be called to convene in the event that the number of Board members falls below the minimum number required for the board to be duly convened. Upon the resignation or termination of membership for any reason, other than the expiration of the Board term, of any board member, SAMA shall be informed within five (5) working days from the date of leaving the position, and the relevant disclosure requirements shall be taken into consideration.

Article (19): Powers of the Board:

Without prejudice to the powers conferred upon the General Assembly, the Board of Directors shall be vested with full powers to manage the Company, to the extent required to achieve its objectives. In addition, the Board may, within the limits of its competence, authorize one or more of its members or others to perform (a) specific act(s), without contravening relevant laws and regulations. The Chairman of the Board of Directors shall, inter alia, represent the Company in its relations with third parties and government and private bodies and before all Sharia courts, the Board of Grievances, labor offices, preliminary and supreme commissions for the settlement of labor disputes, Commercial Papers Committee and all other judicial commissions,

arbitral tribunals, Civil Rights Department, police stations, chambers of commerce and industry, all companies, corporations, commercial banks, financial houses, government finance funds and institutions of all designations and fields of competence and other lenders. The Chairman of the Board shall also have the right of admission, claiming, defense, pleading, litigation, waiver, acceptance and rejection of judgments, reconciliation and arbitration and to request the enforcement of judgments, challenge judgments, collect the proceeds of enforcement, discharge the Company's debtors of their liabilities, participate in tenders, sell, buy and pledge real estate property. The Chairman of the Board shall, moreover, have the right to make and sign on behalf of the Company all contracts, documents and papers, including, without limitation, the memorandums of association of the companies in which the Company participates, along with all their amendments, appendixes and amendment resolutions, to sign agreements and instruments before the notary public and official authorities, as well as loan agreements, guarantees, collateral bonds, real estate sale and purchase deeds, to issue powers of attorney on behalf of the Company, to sell, buy, transfer ownership and accept the transfer of ownership, receive and deliver, lease, rent out, receive and make payments, open accounts and credits, make bank withdrawals and deposits, issue guarantees to banks, funds and government finance institutions and to sign all papers, promissory notes, checks, all commercial papers, documents and all bank transactions.

Article (20): Board Remuneration:

The minimum annual remuneration of the Board Chairman and members shall be one hundred twenty thousand (120.000) riyals and the maximum remuneration shall be five hundred thousand (500.000) riyals per annum for their Board membership and participation in the Board's work, inclusive of additional remuneration in the event of the participation by a member in any Board committee.

In the event that the Company generates profits, there may be distributed a percentage of 10% of the remaining net profit after withholding the reserves resolved by the General Assembly in compliance with the provisions of the Cooperative Insurance Companies Control Law and after distributing to the shareholders dividends of at least 5% of the Company's paid-up capital. Entitlement to such remuneration shall be proportionate to the number of meetings attended by a member. Any estimation in discrepancy with the foregoing shall be null and void.

In all cases, the total remuneration and financial and in-kind benefits received by a Board member shall not exceed five hundred thousand (500.000) riyals per annum.

The maximum remuneration for attending each of the meetings of the Board or its committees shall be five thousand (5.000) riyals, exclusive of travel and accommodation expenses.

Each Board member, including the Board Chairman, shall be reimbursed for the actual expenses incurred for attending the meetings of the Board or the Board committees, including travel, accommodation and subsistence expenses.

The Board's report presented to the Ordinary General Assembly shall include a comprehensive statement of all remuneration, expense allowances and other benefits received by the Board members during the financial year. The report shall also include a statement of whatever the Board members have received in their capacities as employees or administrative officers or whatever they have received in return for technical, administrative or advisory work. Further, the report shall include a statement of the number of the Board meetings and number of meetings attended by each member as of the date of the last meeting of the General Assembly.

Article (21): Powers of the Chairman, Deputy Chairman, Managing Director and Secretary:

The Board of Directors shall appoint from among its members a Chairman, a Deputy Chairman and a Chief Executive Officer and may appoint a Managing Director. A person may not assume the positions of Board Chairman and executive at the same time. The Chairman shall have the right to sign on behalf of the Company and enforce the Board resolutions and shall have the authority to represent the Company before courts, arbitral tribunals and third parties. By written authorization, the Chairman is entitled to delegate some of his powers to other Board members or third parties to perform specific acts. The Board shall fix the salaries, allowances and remuneration of both the Chairman and the Managing Director in accordance with Article 19 hereof. The Board of Directors shall appoint a Board Secretary, and may appoint one or more advisors thereto in various Company affairs and shall determine their remuneration. The term of office of the Board Chairman, the Deputy Chairman, the Managing Director and the Secretary (if a Board member) shall not exceed their respective terms as members of the Board, and they may be re-elected. The Board may dismiss all or any of them at any time, without prejudice to the right of a dismissed person to claim compensation if the dismissal was for an invalid reason or occurred at an improper time.

Article (22): Board Meetings:

The Board shall meet at the Company's head office or in any other place within Saudi Arabia upon a call by its Chairman. The Chairman shall call for a meeting when so requested by two members of the Board. The call shall be documented in the way deemed proper by the Board. Board meetings shall be held in the presence of the members in person or through modern means of audio or visual communication. They shall be held periodically and as necessary, provided that at least four (4) meetings are held per year, such that at least one (1) meeting is held every three months.

Article (23): Quorum:

A Board meeting shall be valid only if attended by six (6) members in person or by proxy, provided that at least four (4) members are present in person, one of whom is an independent member. A Board member may give a proxy to another member to attend a meeting of the Board and vote thereat on his behalf. Board resolutions shall be passed by majority votes of the present or represented members. In the event of a tie, the side on which the chairman of the meeting votes shall have the casting vote. Board resolutions on urgent matters may be issued by members voting by circulation, unless a member requests in writing that a meeting be held for deliberation, in which case, such resolutions shall be presented to the Board at its first next meeting.

Article (24): Board Deliberations:

Board deliberations and resolutions shall be recorded in minutes signed by the meeting chairman, present Board members and the Secretary and such minutes shall be recorded in a special register signed by the Board Chairman and the Secretary.

Article (25): Contracts and Agreements:

Subject to obtaining a *no objection* certificate from SAMA, the Company shall have the right to conclude a technical service management agreement with one or more companies qualified in the area of insurance. The Board members may conclude insurance contracts with the Company wherein they have interests, provided that the Chairman of the Board shall provide the General Assembly with the details of such insurance contracts. A Board member shall inform the Board of any direct or indirect interest he has in the transactions and contracts made on behalf of the Company, and such information shall be recorded in the meeting minutes. Such member may not participate in voting on resolutions taken by the Board and Shareholder Assemblies in this regard. The Chairman of the Board shall inform the Ordinary General Assembly, when held, of the transactions and contracts in which a Board member has a direct or indirect interest, and such information shall be accompanied by a special report drafted by the Company's external Auditor. In the event that a Board member fails to disclose his interest, the Company or any stakeholder may request the competent judicial authority to revoke the contract or to oblige the member to surrender any profit or benefit realized as a result thereof.

Part V Shareholder Assemblies

Article (26): Attendance of Assemblies:

A properly formed General Assembly shall represent all shareholders and shall be held in the city where the Company's head office is located. Every shareholder,

irrespective of the number of his share, shall have the right to attend the General Assemblies of the shareholders. A shareholder may delegate another person who is not a Board member or an employee of the Company to attend the General Assembly on his behalf. Meetings of the shareholders' General Assemblies and participation by a shareholder in their deliberations and voting on their decisions may take place by way of modern technology means in accordance with the rules laid down by the competent authority.

Article (27): Constituent Assembly:

The founders shall call all subscribers to hold a Constituent Assembly within forty-five (45) days from the closing date of the share subscription. Every subscriber, irrespective of the number of his share, shall have the right to attend the Constituent Assembly. The meeting shall be valid only if attended by a number of subscribers representing at least half the capital. Should this quorum not be present, a call is made for another meeting which shall be held at least fifteen (15) days after the call. However, the second meeting may be held one (1) hour after the expiry of the period specified for the first meeting, provided that the invitation to the first meeting shall indicate the possibility of holding such meeting. In all cases, the second meeting shall be valid regardless of the number of subscribers represented therein.

Article (28): Powers of Constituent Assembly:

The Constituent Assembly shall have the following powers:

1. ensure that all Company's shares have been subscribed to and that the minimum capital has been paid to the extent of the due amount of the share value;
2. approve the final version of the Company's Bylaws, provided that no substantive amendments are made to the Bylaws presented thereto except with the approval of all subscribers represented therein;
3. appoint the members of the first Board of Directors of the Company for a term not exceeding three (3) years, if they have not been appointed in the Company's Articles of Incorporation or Bylaws;
4. appoint the Company's Auditor and determine his remuneration, if he has not been appointed in the Company's Articles of Incorporation; and
5. deliberate and approve the founders' report on the activities and expenses required for the incorporation of the Company.

Article (29): Powers of the Ordinary General Assembly

Except for matters within the powers of the Extraordinary General Assembly, the Ordinary General Assembly shall have powers over all other Company matters, and shall convene at least once a year within six months following the end of the Company's fiscal year. The Ordinary General Assembly may, however, convene when necessary. The powers of the Extraordinary General Assembly shall include the formation of the Audit Committee and the determination of remuneration.

Article (30): Powers of the Extraordinary General Assembly

The Extraordinary General Assembly shall have the powers to amend the Company's Articles of Incorporation, except for the provisions that, according to Law, shall not be amended. The Extraordinary General Assembly may issue resolutions on matters within the powers of the Ordinary General Assembly with the same terms and conditions prescribed for the latter.

Article (31): Call for Assemblies

The General or Special Assemblies of shareholders shall convene pursuant to a call by the Board of Directors. The Board of Directors shall call for an Ordinary General Assembly meeting if so requested by the auditor, the Audit Committee or by a number of shareholders representing at least 5% of the capital. The auditor may call for a General Assembly meeting if the Board fails to do so within 30 days from the date of the auditor's request.

This call and the agenda shall be published in a daily newspaper, at least 21 days prior to the date set for the meeting. A copy of the call together with the agenda shall be sent to the Capital Market Authority and the Ministry of Commerce and Investment. However, a call sent by registered mail at the said time shall suffice. A copy of the call together with the agenda shall be sent to the Capital Market Authority and the Ministry of Commerce and Investment, within the period specified for publication.

Article (32): Register of the Assemblies

Shareholders wishing to attend a General or Special Assembly meeting shall register their names at the head office of the Company prior to the time set for such meeting.

Article (33): Quorum of the Ordinary General Assembly Meeting

The Ordinary General Assembly meeting shall be valid only if attended by shareholders representing at least 25% of the Company's capital. If the quorum necessary for the first meeting is not met, a call shall be sent for a second meeting to be held within 30 days following the first meeting. This call shall be published in the manner prescribed in Article 31 hereof. However, the second meeting may be held one hour after the end of the period set for the first meeting, provided that the call for the first meeting shall provide for the possibility of holding a second meeting. In all cases, the second meeting shall be valid regardless of the number of shares represented therein. Shareholder General Assembly meetings, shareholder's participation therein and voting on its resolutions may be done by means of modern technology, in accordance with rules set by the competent authority.

Article (34): Quorum of the Extraordinary General Assembly Meeting

The Extraordinary General Assembly meeting shall be valid only if attended by shareholders representing at least 50% of the Company's capital. If the quorum necessary for the first meeting is not met, a call shall be sent for a second meeting to be held within 30 days following the first meeting, as prescribed in Article 31 hereof. However, the second meeting may be held one hour after the end of the period set for the first meeting, provided that the call for the first meeting shall provide for the possibility of holding a second meeting. In all cases, the second meeting shall be valid if attended by a number of shareholders representing at least 25% of the capital. If the necessary quorum is not obtained in the second meeting, a call shall be made for a third meeting to be held, as prescribed in Article 31 hereof. The third meeting shall be valid, regardless of the number of shares represented therein, upon the approval of the competent authority. Shareholder General Assembly meetings, shareholder's participation therein and voting on its resolutions may be done by means of modern technology, in accordance with rules set by the competent authority.

Article (35): Voting in Assemblies

Votes in the Constituent Assembly and Ordinary and Extraordinary General Assemblies shall be counted on the basis of one share vote. Cumulative voting shall be used for electing the Board of Directors. The voting right per share may not be used more than once. Members of the Board of Directors may not participate in voting on General Assembly resolutions pertaining to their relief from liability for management of the Company or pertaining to their direct or indirect interest.

Article (36): Decisions of the Assemblies

Decisions of the Constituent Assembly shall be passed by an absolute majority of shares represented therein. The decisions of the Ordinary General Assembly shall be passed by an absolute majority of the shares represented therein. However, if these decisions relate to a special benefit, the approval of the majority of subscribers of shares that represent two-thirds of the aforementioned shares, after excluding the special benefits subscribed by the beneficiaries, shall be obtained. Decisions in the Extraordinary General Assembly shall be passed by a two-third majority of the shares represented therein, unless the decisions are related to an increase or decrease of capital, extension of the company's term, dissolution of the Company before the period specified in its Articles of Incorporation, or incorporation of the Company into a company or another organization; in such case, the decision shall not be valid, unless it is passed by a majority of three quarters of the shares represented in the meeting.

Article (37): Discussion in the Assemblies

Each shareholder shall have the right to discuss items listed on the agenda of the General Assembly and pose relevant questions to Board members and the auditor. Any provision to the contrary in the Company's Articles of Incorporation shall be

deemed null and void. The Board of Directors or the auditor shall answer shareholders' questions to the extent that does not jeopardize the Company. If the shareholder deems that the answer to a question is unsatisfactory, he may appeal to the General Assembly whose decision shall be final.

Article (38): Presiding over Assemblies and Preparing Minutes

The General Assembly shall be presided by chairman or vice-chairman in case of absence of the chairman, or any member designated by the Board in the absence of both the chairman and vice-chairman. Minutes shall be made for each General Assembly meeting, showing the number of shareholders present or represented therein, number of shares held by each, whether personally or by proxy, number of votes allotted thereto, resolutions adopted, number of consenting and dissenting votes and a summary of meeting deliberations. Following every meeting, the minutes shall be entered in a special register signed by the chairman of the Assembly, the secretary of the Assembly and the vote counter.

Part VI

Committees of the Board of Directors:

Article (39): Committees of the Board of Directors

Committees of the Board of Directors shall be formed in accordance with the relevant laws and regulations.

Part VII Auditor

Article (40): Appointment of the Auditor

The General Assembly shall appoint one auditor (or more) licensed to operate in the Kingdom and determine his remuneration and term. The General Assembly may re-appoint the auditor. In addition, the General Assembly may, at any time, replace the auditor without prejudice to his right to compensation if the replacement occurs at an inconvenient time or on illegitimate ground.

Article (41): Powers of the Auditor

The auditor may access the Company's books, records and other documents at any time. He may also request data and explanations that he deems necessary for verification of the Company's assets and liabilities as well as other matters falling within the scope of his work. The Board Chairman shall facilitate the auditor's performance of his duties. If the auditor encounters difficulty in this regard, he shall report the same to the Board of directors. If the Board fails to facilitate the work of the auditor, he shall request the Board to call for an Ordinary General Assembly meeting to consider the matter.

Article (42): Obligations of the Auditor

The auditor shall submit a report to the annual Ordinary General Assembly in accordance with recognizable auditing standards. The report shall include the extent to which the Company's management was cooperative in providing him with requested data and explanations, and any detected violations of the provisions of the Cooperative Insurance Companies Control Law, its implementing regulations, and other relevant regulations, bylaws and instructions, as well as his opinion on the integrity of the Company's financial statements. The auditor shall read his report at the General Assembly meeting. If the General Assembly decides to approve the report of the Board and the financial statements without hearing the auditor's report, its decision shall be null and void.

Part VIII Company's Accounts and Profit Distribution:

Article (43): Fiscal Year

The fiscal year of the Company shall start on the first of (January) and end at the end of (December) of the same year, provided that the first fiscal year shall start from the dates of the ministerial decision announcing the incorporation of the Company and end on (31) December of the following year.

Article (44): The Financial Documents

1. The Board of Directors shall, at the end of each fiscal year, prepare the Company's financial statements (The financial statements shall consist of: a statement of the financial position for insurance and shareholder transactions, a statement of surplus (deficit) of insurance transactions, a statement of shareholders income, a statement of shareholders equity, a statement of the insurance transactions cash flows and a statement of shareholders cash flows) and a report on its activities and financial position for the last fiscal year. Said report shall include a proposal on distribution of profits. The Board shall make such documents available to the auditor at least 45 days prior to the General Assembly meeting.
2. Documents provided for in paragraph 1 of this Article shall be signed by the chairman of the Company's Board, Chief Executive Officer and Chief Financial Officer, and a copy thereof shall be kept at the Company's head office to be available to shareholders at least 21 days prior to the General Assembly meeting.
3. The Board Chairman shall provide shareholders with the Company's financial statements, Board's report and auditor's report, unless published in a daily newspaper distributed in the area where the Company's head office is located. He shall also provide a copy thereof to CMA, at least 15 days prior to the Ordinary General Assembly meeting.

Article (45): Insurance Transactions Accounts

The accounts of the insurance transactions shall be independent of the statement of the shareholders income, as follows:

First: Insurance Transactions Accounts

1. An account of the premiums earned, reinsurance commissions and other commissions shall be consigned.
2. An account of the compensations incurred by the company shall be consigned.
3. At the end of each year, the gross surplus shall be determined, which represents the difference between the sum of the premiums and the compensation, minus the marketing, administrative and operational expenses, and the necessary technical allocations according to the related instructions.
4. The net surplus shall be determined as follows:
The investment return due to the insured shall be added to or deducted from the gross surplus mentioned in paragraph (1), after the inclusion of their returns and the deduction of their expenses.
5. The net surplus shall be distributed either by distributing ten percent (10%) to the insured directly, or by reducing their premiums for the following year, and transferring ninety percent (90%) to the shareholders income accounts.

Second: Statement of Shareholders Income

1. The profits of the shareholders shall be from the return on investment of shareholders' funds in accordance with the rules established by the Board of Directors.
2. The shareholders' share of the net surplus shall be as stated in paragraph (5) of Clause "First" of this Article.

Article (46): Zakat and Reserves

The Company shall:

1. Set aside zakat and established income tax.
2. Set aside 25% of the net profit to create the company's statutory reserve. The Ordinary General Assembly may decide to discontinue setting aside such percentage when said reserve reaches 100% of paid-up capital.
3. The Ordinary General Assembly may, when determining dividends, decide to create other reserves to serve the company's interest or ensure distribution of fixed dividends, as much as possible, to shareholders.

Article (47): Entitlement to Dividends

A shareholder shall be entitled to his share of the profit pursuant to a decision by the General Assembly. Such decision shall indicate eligibility and distribution dates. Entitlement to dividends shall be for shareholders registered in the shareholders' register by the end of the eligibility date. The Company shall inform the Capital Market Authority without delay of any decisions or recommendations regarding distribution of profits, and shall distribute profits to the shareholders at the place and on the dates established by the Board of Directors, in accordance with the instructions issued by the competent authority, subject to the prior written approval of the Saudi Arabian Monetary Authority.

Article (48): Company Losses

If the company incurs losses amounting to half of the paid-up capital at any time during the fiscal year, any of the Company executives or the auditor shall promptly, upon knowledge thereof, inform the Chairman of the Board, who shall promptly inform Board members. The Board of Directors shall, within 15 days from the date of notification, call for an Extraordinary General Assembly meeting within 45 days from the date of its knowledge of the losses, to decide whether to increase or decrease the Company's capital, pursuant to the provisions of the Law, to the extent where losses are decreased below half of the paid-up capital, or to dissolve the Company prior to the date set forth in its Articles of Incorporation. In all cases, the decision of the Assembly shall be published on the website of the Ministry of Commerce and Investment. The Company shall be deemed terminated by the operation of law if the Extraordinary General Assembly fails to meet during the period mentioned above; if the Assembly convenes but fails to issue a decision on the matter; or if it decides to increase the capital in accordance with this Article but the shares issued are not fully subscribed to within 90 days from the Assembly's decision to increase the capital.

Part IX Disputes:

Article (49): Liability of the Company

The Company shall be bound by all acts performed by the Board, even if such acts transcend the powers of the Board, unless the stakeholder acts in bad faith or knows that such acts transcend the powers of the Board.

Article (50): Liability of the Board Members

Board members shall be jointly liable for damages sustained by the Company, shareholders or third parties resulting from their mismanagement of the Company, or their violation of the provisions of the Cooperative Insurance Companies Control Law, its implementing regulations, and other relevant regulations, bylaws and instructions. Any condition to the contrary of this provision shall be deemed null and void. All Board members shall be liable if a wrongful act results from a resolution unanimously issued thereby. As for the resolutions issued by a majority vote, dissenting members shall not be liable therefor if their objection is explicitly recorded in the minutes of the meeting. Absence from the meeting at which such resolution is adopted shall not constitute cause for relief from liability, unless it is established that the absentee was not aware of the resolution, or was unable to object to it after becoming aware of such resolution. Approval of the Ordinary General Assembly to relieve Board members from liability shall not preclude from filing a liability case. A liability case shall not be heard after the lapse of three years from the date of discovering the wrongful act. Except for fraud and forgery, a liability case shall not be heard after the lapse of five years from the end of the fiscal year in which the wrongful act was committed, and three years from the expiration of membership term of the concerned member, whichever occurs later. Each shareholder shall have the right to file a liability case against Board members for any wrongful act that causes harm to him. The shareholder may file such suit only if the Company's right to file the same is still valid. The shareholder shall notify the Company of his intention to file such case, and his right to compensation shall be limited to the damage sustained by him.

Part X Liquidation of the Company:

Article (51): Termination of the Company

The Company shall, upon termination, enter into liquidation and shall retain its legal personality to the extent necessary for liquidation. The decision of compulsory liquidation shall be issued by the Capital Market Authority. The decision of liquidation shall include appointing the liquidator and determining his powers and remuneration, the limitations imposed on the powers thereof and the necessary period for

liquidation. The term of voluntary liquidation shall not exceed five years, and may not be extended for a further period unless upon a judicial order. The authority of the Company's directors shall end upon its dissolution. The directors shall continue to manage the company, and shall be deemed as liquidators against third parties until a liquidator is appointed. The Company's Assemblies shall remain valid during the liquidation period, and the role thereof shall be limited to practicing its powers that are not in conflict with those of the liquidator. In the liquidation, the rights of the subscribers to the surplus of insurance transactions and the reserves formed as stipulated in Articles (44) and (45) hereof shall be preserved.

Part XI
Closing Provisions:

Article (52): The Governing Law

The provisions of the Cooperative Insurance Companies Control Law and its implementing regulations, the Companies Law and its regulations, and the regulations, bylaws and other relevant instructions shall apply to everything these Articles of Incorporation are silent about.

Article (53): Publication

These Articles of Incorporation shall be filed and published according to the Companies Law and its regulations.