

Amana Cooperative Insurance
Company's By-Laws
Saudi Public Listed Company

Chapter One

Company Incorporation

Article 1: Incorporation:

Incorporated in accordance with the provisions of the Law on Supervision of Cooperative Insurance Companies and, the Companies' Law, Capital Market Authority Law and Regulations and Company By-Laws, a Saudi Joint Stock Company between the Shareholders, whose provisions are presented below.

Article 2: Company Name:

Amana Cooperative Insurance Company, Saudi listed company.

Article 3: Company Objective:

The company's objective includes carrying out the business of cooperative insurance in the branch of general and health insurance. The company shall carry out all the activities necessary for achieving its objective in accordance to the provisions of the Cooperative Insurance Companies Supervision Law, its Implementation Regulations and other Regulations applicable in the Kingdom of Saudi Arabia, after obtaining the necessary licenses from the competent authorities, if any.

Article 4: Participation and Ownership in Companies:

The company may incorporate limited liability companies. Or Sole Proprietorship companies. It may also own shares in other existing companies or merge with them. It has the right to participate with third parties in the incorporation of joint stock companies or limited liability companies. The companies that the company incorporates, participates in or merges with must do business or financial activities similar to the objective of the company or to support achieving its objective, after fulfilling the requirements of the regulations and instructions and after obtaining the approval from the responsible authority, the Saudi Central Bank.

Article 5: The Company's Location:

The company Head Office is located in Riyadh, KSA and, with a resolution from the Extraordinary General Assembly, may be moved to any other city in KSA, with the approval of the Saudi Central Bank. The company may establish branches, offices, and agencies inside and outside KSA, with the approval of the Saudi Central Bank.

Article 6: The Company's Term:

The Company's term is (99) Gregorian calendar years, commencing from the date of registration in the commercial records. The term of the company may be extended by resolution from the Extraordinary General Assembly at least one year prior to the expiry date.

Chapter Two

Regulations the Company Must Adhere to while Undertaking its Specific Activities and Objectives

Article 7: Company Investment:

The company shall invest whatever it collects from insurance funds, and the shareholders of the company, in accordance with the directions of the Board of Directors, and which must not be inconsistent with the Cooperative Insurance Companies Supervision Law, its Implementation Regulations, or any other relevant regulations and instructions issued by the Saudi Central Bank, or any other related regulatory entity.

Chapter Three

Capital and Shares

Article 8: The Company Capital:

The company capital is SR (288,580,240) two hundred eighty-eight million five hundred eighty thousand two hundred forty Saudi Riyals, divided into (28,858,024) twenty-eight million eight hundred fifty-eight thousand twenty-four shares of equal value. The value of each share is SR (10) ten Saudi Riyals, all of which are ordinary cash shares.

Article 9: IPO Shares:

Shareholders have fully subscribed to the company's capital shares and paid in full value.

Article 10: The Shareholder Register:

The company's shares are being 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 shares and shall not be allowed to be issued at less than the nominal value, but may be issued at higher than the nominal value, and in the latter case, the difference in value shall be added as a separate component within the shareholder's equity. Nominal shares may not be distributed as dividends to shareholders, and the share shall be indivisible in front of the company, and if a share is possessed by multiple persons, they must be entitled to choose one of them to represent them in the use of the rights related to it, and the persons will be jointly liable for the obligations arising from the ownership of the share.

Article 12: Stock Trading:

1. Shares issued by the founders may only be traded after the publication of the financial statements for two financial periods and provided covering not less than (12) months from the date of incorporation of the Company after obtaining approval from Saudi Central Bank. And the instruments of these shares shall be marked with what indicates its type and the date of incorporation of the Company, and the period during which the trading of the shares has been prevented.

2. During the Prohibition Period, the transfer of ownership of the shares may be allowed in accordance with the sale of the rights from one of the founders to another founder, or heirs of one of the founders, in the event of his/her death, to third parties, or, in the case of the execution of the founder's insolvent assets, others.
3. The provisions of this article shall apply to the founders' entitlement in the case of a capital increase before the expiry of the prohibition period.

Article 13: Capital Increase:

1. The Extraordinary General Assembly can approve to increase the company's capital, after obtaining the approval from the competent authorities, and provided that the capital has been fully paid.
2. The Extraordinary General Assembly can approve, in all cases, the allocation of the issued shares upon increasing the capital, or part thereof, to the employees of the company, and its subsidiary companies, or some of them, or any of the them, as required and applicable. The shareholders cannot exercise their right of priority over the company allocating shares assigned to employees.
3. At the issuance time of the General Assembly's resolution for the approval of increasing the capital, the shareholders of the shares have the priority right, in the subscription of new shares issued for pecuniary shares, and those shareholders shall be notified of their priorities, if any, by the publication in a daily newspaper or informing them by registered mail of the capital increase resolution and the shareholders shall be notified about the terms of the subscription, the subscription period, and the dates of the beginning, and the end, of the subscription.
4. The Extraordinary General Assembly is entitled to stop the regular priority rights of the shareholders to subscribe for the capital increase in exchange for pecuniary shares or giving the priority to non-shareholders in cases it deems appropriate for the benefit of the company.
5. A shareholder is entitled to a priority sale, unless has waived the right, during the period from the time of the capital increase resolution approval by the General Assembly until the last day of the subscription for the new shares associated with these rights, according to the regulations laid down by the Capital Market Authority.

Article 14: Capital Decrease:

1. The Extraordinary General Assembly may decide by way of a resolution to decrease the company's capital if the capital is more than the company's needs or it is making losses, after obtaining the approval from the Saudi Central Bank and Capital Market Authority, and provided that the paid up capital of the insurance company, after the capital reduction, is not less than a hundred (100) million riyals, as the minimum paid up capital for an insurance company or, in the case of an insurance company carrying on at the same time acts of reinsurance, two hundred (200) million riyals. Such resolution may only be passed after the recitation of a special report prepared by the auditors covering the reasons for such reduction, the Company's obligations, and the effect of the reduction on these obligations.
2. If the reduction is the result of the fact that the capital exceeds the company's needs, creditors should be invited to intimate their objections within sixty (60) days from the date of the announcement of the resolution for the reduction in a daily newspaper distributed in the region where the Company's head office is located. Should any one of the creditors object or submit documents to the company within the prescribed time, the company must then settle the debts to the creditor immediately or provide the creditor with a sufficient guarantee for the settlement if the same is deferred.

Chapter Four

Board of Directors

Article 15: Company Management:

The company is managed by a Board of Directors. The Board of Directors shall be composed of (8) eight members elected by the General Assembly for a period not exceeding (3) three Gregorian years. This appointment shall not prejudice the right of the legal person to replace his representative on the Board. The composition of the Board of Directors must include independent members. In all cases, the number of independent represented on the Board shall not be less than two or one third of the members of the Board, whichever is greater. The Constituent General Assembly shall assign the first term Board Members for a term that is not exceeding (3) three years, starting from the resolution of the Ministry of Commerce & Investment of the formation of the company.

Article 16: The Board Term Expiry:

1. The Board membership ends upon expiry of the term, resignation, death upon more than three consecutive, unexcused absences of Board meetings within one year without a legitimate and acceptable excuse, or by the Board of Directors establishing a breach of duty on behalf of that member such that it damaged the interest of the Company, provided that it is coupled with the approval of the Ordinary General Assembly, or upon expiry of membership according to any law or instructions applicable in KSA, or if the member was sentenced to bankruptcy or insolvency, or a request for dissolution was made by the member's creditor, or if the member stopped paying his debts, or if the member becomes unconscious, or if the member is befallen with a mental illness, or if the member is convicted of a breach of trust and confidence, or convicted of fraud by a final judgment.
2. The Ordinary General Assembly has the right at any time to dismiss all the members of the Board of Directors, or some of them, without prejudice to the right(s) of the dismissed member(s) towards the company to seek compensation if the dismissal happens for an unacceptable reason, or at the wrong time, and a member of the Board of Directors may retire, provided that this occurs at the appropriate time, otherwise the member will be responsible before the company for any damages resulting from the dismissal.
3. If a member of the Board resigns and has notes on the company's performance, he must submit a written statement to that effect to the Chairman of the Board of Directors, and this statement must be presented to the members of the Board of Directors.
4. Saudi Central Bank must be informed upon the resignation of any member of the Board, or of the termination of his/her Board membership, for any reason other than the end of the Board term, within (5) five working days from the effective date of the end of the membership, taking into consideration the relevant disclosure requirements.

Article 17: Vacancy in the Board:

If there is a vacancy in the Board of Directors the Board may appoint, temporarily, a member into the vacancy, from amongst those members having sufficient experience, provided having first obtained the no-objection from the Saudi Central Bank, regardless to the order of obtaining the votes in the General Assembly, which elected the Board of Directors through them, and must notify the Ministry of Commerce and Investment and the Capital Market

Authority within five (5) working days from the date of the appointment, and the appointment must be authorized by the General Assembly at its first meeting thereafter, and the new member shall complete the period of the predecessor only.

Article 18: The Board Authorities:

1. Subject to the functions specified for the General Assembly, the Board of Directors shall have the broadest authority in managing the company in order to achieve its objective. This is except for the exception of a special provision in the Corporate Law or actions that fall within the General Assembly authority, for example but not limited to, the right to contract and sign on behalf of the company, on all types of contracts and documents, including but not limited to article of associations of the company owns shares, with all its amendments and addendums, and the decisions of the amendments, as well as the signing of the agreements, and the instruments in front of notary officials, as well as at all banks, funds, government financing institutions, money houses and other lenders, and sign everything related to issuing, leasing and cashing cheques, bank transfers and bonds for order and all commercial papers, endorsing them and representing the company in its relations with others and in front of its clients, government and private agencies, and before all courts of all degrees and specializations and the Board Grievances, labor offices, higher and primary committees for settling labor disputes, the Committees for Resolutions of Securities Disputes and all other judicial committees, arbitration bodies, civil rights, police departments, chambers of commerce and industry, the Ministry of Commerce and Investment and its branches, the commercial registry and notaries in the Kingdom of Saudi Arabia and all ministries, bodies and public institutions, including the Ministry of Labor and the General Organization for Social Insurance And the Department of Zakat, Income Tax, Passport Management and all companies and institutions, the right to acknowledge and demand, institute, hear and cancel lawsuits, defend, plead, litigate, assign, reconcile, accept judgments and reject them, arbitration, hear the oath and witnesses, present evidence and challenge them, request cassation, objection and condemnation Appealing and receiving the instruments, judgments, decisions, documents and all documents, requesting the implementation of judgments and opposing them, arresting what happens from the execution, absolving the debtors of the company of their obligations, appointing attorneys, consultants, legal experts, arbitrators and legal agents, and all the powers and authorities necessary to manage the company and conduct day-to-day business. As well as loan agreements, guarantees, guarantees, and sukuk for the sale and purchase of real estate, issuance of legal agencies on behalf of the company, sale, purchase, emptying, acceptance, receipt, delivery, leasing, leasing, arrest, payment, opening accounts and credits, withdrawing and depositing with banks, issuing guarantees to banks, funds, and government financing institutions, and signing all papers, order bonds, checks and all commercial papers Documents and all banking transactions. Appointing employees, technicians, consultants, and agents, bringing in workers, signing contracts with them, determining their work conditions, salaries, remuneration, dismissal and changing them, appointing senior employees of the company or subsidiary companies, whether they are members or others, defining their powers, powers, duties, and contractual rights specifically and dismissing them or renewing their appointment. Attending the constituent assemblies of the joint-stock companies in which the company contributes and voting on the agenda. the Board may authorize one or more of its members or any third party to carry out certain activities, taking into consideration the related rules and regulations.
2. The Board of Directors may contract for loans of any duration, sell the company's assets or mortgages, sell or mortgage the Company's commercial place, or absolve the Company's debtors of their obligations, unless these By-Laws include, or the General Assembly issues, restrictions to the powers of the Board of Directors to do so.

Article 19: The Board Remuneration:

1. The remuneration of the members of the Board of Directors shall be a certain amount, may include attendance allowances for attending meetings, be benefits based on a specific percentage of the net profits, and two or more of these benefits may be combined.
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 decided by the General Assembly in implementation of the provisions of the Cooperative Insurance Companies Regulation, and this By-Laws, and after distributing dividends to the shareholders, which dividends shall not be less than (5%) of the paid-up capital of the Company, provided that the entitlement to this remuneration, is proportional to the number of Board meetings attended by the Board member, and any other cost estimate, in relation to the cost of attending the Board meetings, which contradicts this clause, shall be invalid.
3. In all cases, the sum of the remuneration that a member of the Board of Directors receives shall not exceed the sum of five hundred thousand riyals per annum (with the exception of the Board Chairman and the members of the Audit Committee), in accordance with the regulations set by the Capital Market Authority.
4. The Annual Board Report to the General Assembly should include a comprehensive statement of all the remunerations, expenses and other benefits that the members of the Board received during the fiscal year. It shall also include a statement of what the members of the Board have received as providers of work services, or as administrators, or what they have received in exchange for technical, administrative or consulting work. It must also include a statement of the number of Board meetings attended by each member from the date of the most recent meeting of the General Assembly.

Article 20: The authorities of the Chairman, Vice-Chairman, Managing Director and Company Secretary:

From among its members, the Board of Directors shall appoint a Chairman and a Vice Chairman for the Company. The Board also appoints the Chief Executive Officer, and the Board can appoint a Managing Director, it is not allowed to combine the Chairman position and any executive position of the Company, the Chairman has the right to sign for the company and for implementing Board decisions. The Chairman of the Board of Directors has to represent the Company in courts, the judiciary and arbitration entities and others, and the Chairman of the Board of Directors by a written decision to delegate some of his authorities to other members of the Board or third parties in the conduct of a specific work.

The Board of Directors determines salaries, remunerations and bonuses for both the Chairman and the Managing Director as determined in article (19) of this By-Laws. The Board of Directors must appoint a secretary of the Board. The Board may also appoint one or more advisers in the various company affairs and determine their remuneration. The term of the Chairman, Vice-President, Managing Director and Secretary of the Board shall not exceed the term of their respective members of the Board, and they may be re-elected and the Board may at any time dismiss them or any of them without prejudice to the right of an isolation to compensation if the dismissal occurs for an unlawful or inappropriate reason.

Article 21: Board Meetings:

The Board shall meet by an invitation from its Chairman and the Chairman of the Board must call for a Board meeting when so requested if by two of the Board members and which meeting must be documented in the way

in which the Board sees it. The Board meetings are to be held on a regular basis and whenever the need arises, the number of annual meetings of the Board shall not be less than (4) meetings so that there will be at least one meeting every three months.

Article 22: Quorum of the Board Meetings:

1. The Board meeting shall not be valid unless it has been attended by (5) five members themselves, or by way of representation, provided that the minimum number of members personally present must be (4) four.
2. If the necessary minimum number of valid Board members is not in place, in terms of total available number of active Board members, to enable a quorum for the convening of a meeting of the Board of Directors, due to not meeting the required minimum Board member numbers, as stated in these By-Laws, the remaining Board members must invite the Ordinary General Assembly to convene within sixty days to elect the necessary minimum number of Board members.
3. The Capital Market Authority may invite the Ordinary General Assembly to convene in the event that the number of Board Members falls below the minimum required to hold a meeting.
4. A member of the Board of Directors may not delegate to another person to attend the meeting, except a member of the Board of Directors may delegate to another member of the Board of Directors, to attend on his behalf.
5. Board decisions are issued by a majority of the votes of members present or represented, in case the votes are equal, then the side in which the Chairman of the meeting voted for shall preside.
6. The Board of Directors may issue decisions/approvals, for the urgent attention of the Board members, by e-mail circulation, provided in writing, and provided that a Board member does not request otherwise, and provided that in the next formal Board meeting the Board deliberates these decisions, and which basis of these decisions to be presented to the Board of Directors in the first subsequent Board meeting after the decisions.

Article 23: The Board Deliberations:

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

Article 24: Agreements and Contracts:

1. After obtaining the No-Objection from the Saudi Central Bank, the company shall have the right to convene a convention to manage the technical services of the Company with one or more of the professionals in the field of insurance companies.
2. The Board members may contract with company insurance contracts for their benefit provided that the Board Chairman shall provide the General Assembly with the details of these insurance contracts. And a member of the Board has to notify the company of his/her direct, or indirect, interest in the business contracts if they are for the account of the company, and to prove this notification in the minutes of the meeting.
3. This member shall not participate in the vote on any decision issued in this regard in the Board or the General Assembly.
4. The Chairman of the Board shall notify the General Assembly, about all the related party business and contract transactions, where a member of the Board, whether directly or indirectly, has an interest, and the notification shall be supported by a special report of the External auditors.

5. In the event of the failure by a Board member to disclose his/her interests, the company may, or other interested individual, claim before the competent judicial authority to annul the contract or prevent the member from receiving any gain or benefit.
6. The liabilities for damages resulting from the transactions or contracts indicated in point (1) in this Article shall be upon the member that has an interest in the transaction or contract (including Board members) if these transactions or contracts are in breach of this Article, or if they were deemed unfair, contradict and/or affect the shareholders.
7. Board members objecting to such resolutions shall be exempted from any liability once they have proven their explicit objection to such resolution in the minutes of the meeting. The non-attendance of the meeting in which the resolution was issued in shall not be a reason to waive the liability, unless the board member can prove that he was not aware of such resolution or his inability to object once he became aware of such resolution.
8. A member of the Board of Directors is not permitted to participate in any business that would compete with the company, or to compete with the company in one of the branches, of the activity in which it operates; otherwise, the company should ask him/her before the competent judicial authority for appropriate compensation, unless he/she has obtained a previous license from the ordinary general assembly – and which must be renewed every year – which entitles him/her to do so.

Chapter five

Shareholders General Assemblies

Article 25: Attending the General Assembly Meeting:

1. The validly formed General Assembly shall represent all the shareholders, and it shall convene in the city where the Company Head Office is located.
2. Each subscriber, regardless of the number of shares he/she holds, has the right to attend the general assembly meeting, personally or through another subscriber, provided not a member of the board or of the Company's workers, to attend the General Assembly of the shareholders, and contribute to the deliberations, and vote on its decisions by modern technology, according to rules laid down by the Capital Market Authority.

Article 26: The Constituent Assembly:

1. The Founders shall call upon all Subscribers to convene a Constituent Assembly within (45) forty-five days from the date of the closing of the subscription in the Shares. The duration shall not exceed ten days between the day of the invitation and the date of the meeting.
2. Each Subscriber, whatever its number of shares, shall have the right to attend the Constituent Assembly. The meeting shall be valid if at least (half) the capital is represented. If this quorum is not reached, a second meeting shall be convened at least (15) fifteen days after the invitation has been made. However, the second meeting may be held one hour after the expiry of the period specified for the first meeting. In all cases, the second meeting shall be valid regardless of the number of subscribers represented therein.

Article 27: Competence of the Constituent Assembly:

The Constituent Assembly shall be concerned with the following matters:

1. To verify the subscription to all the shares of the company and to meet the minimum capital and the amount due from the value of the shares.

2. To confirm the report of the in-kind shares.
3. To approve the final texts of the company's By-Laws, unless there are substantial amendments to the By-Laws presented to it, except with the consent of all the Subscribers represented therein.
4. To approve the appointment of the members of the first Board of Directors of the company for a period not exceeding (5) five years. To appoint the first external auditors for the company and determine their fees, if they have not been appointed in the company's Article of Association or the By-Laws.
5. To discuss the costs of forming the Company and its eligibility for the Ministry of Commerce and Investment, and the Capital Market Authority to send one or more representatives to attend the Constituent General Assembly.

Article 28: The Ordinary General Assembly Competence:

Except for the matters of the Extraordinary General Assembly, the Ordinary General Assembly shall approve all matters pertaining to the company and shall be held at least once a year, within the six months following the end of the company's fiscal year. Other Ordinary General Assemblies may be convened to meet whenever the need arises.

Article 29: The Extraordinary General Assembly Competence:

The Extraordinary General Assembly has the authority to amend the company's By-Laws, with the exception of the Articles which the Extraordinary General Assembly is legally prohibited to amend. It may pass resolutions in respect of the matters falling within the authority of the Ordinary General Assembly under the same conditions and circumstances specified for the Ordinary General Assembly.

Article 30: Invitation to General Assembly Meetings:

1. The public, or private, General Meetings of the shareholders convene by an invitation from the Board of Directors, and the Board of Directors must call for the convening of an Ordinary General Assembly if so requested by the auditor, or the Audit Committee, or by a number of shareholders representing at least (5%) of the share capital. The Auditor(s) may call for the Assembly if the Board fails to invite the Assembly within thirty (30) thirty days from the date of the request of the Auditor(s).
2. It is permissible by a decision of the Capital Market Authority to invite the Ordinary General Assembly to convene in the following cases:
 - A. If the specified period of time (within the six months following the end of the company's fiscal year) expires without it completing its regulatory reporting.
 - B. If the number of members of the Board of Directors is less than the minimum validity required for its meetings.
 - C. If it is found that there are violations of the provisions of the company's By-Laws, or that a negligence has occurred in the company's management.
3. If the Board did not invite the General Assembly to convene within fifteen days from the date of the request of the external auditor, the Audit Committee, or a number of shareholders which representing at least (5%) of the capital.
4. A number of shareholders, representing at least (2%) of the capital, may submit an application to the Capital Market Authority to invite the Ordinary General Assembly to convene, if any of the cases stipulated in paragraph (2) of this Article are applicable. The Capital Market Authority shall invite the meeting to convene within thirty days from the date of the submission of the shareholders' request, provided that the invitation includes a

schedule of the activities of the association and the items required for the shareholders to approve in the Ordinary General Assembly.

5. This invitation is to be published in the newspaper distributed in the area where the Head Office of the company is located, before the date specified, before (21) twenty-one days at least, and to send a copy of the invitation and agenda to the Capital Market Authority. However, sufficiency may be invited in time mentioned to all shareholders by registered letters. A copy of the invitation and the agenda is to be sent to the Capital Market Authority during the period specified for publication.

Article 31: General Assembly Registry Report:

The Shareholders who wish to attend the General Assembly must lodge their specific names in the company Head Office records, before the time specified for the General Assembly Meeting to be held.

Article 32: The Ordinary General Assembly Meeting Quorum:

1. The convening of the Ordinary General Assembly meeting shall not be valid except if attended by shareholders representing at least (one quarter) of the company's capital.
2. If the quorum is not achieved at the first meeting the Company must issue an invite to a second meeting to be held within thirty days following the previous meeting. The meetings are to be published in the manner provided for in Article (30) of these By-Laws, but may, however, hold the second meeting within an hour after the end of the period set for the first meeting, provided that the convening of the first meeting include the announcement of the possibility of holding such a meeting, and in all cases, the second meeting shall be valid irrespective of the number of shares represented therein, and may hold the meetings of the Ordinary General Assembly of the shareholders, and the participation of the shareholders in the deliberations and voting on decisions by modern technology, according to the regulations laid down by the competent authority.

Article 33: The Extraordinary General Assembly Quorum:

1. The Extraordinary General Assembly shall not be valid unless attended by shareholders who at least represent (half) of the capital of the Company.
2. If such quorum is not achieved at the first meeting, then the same conditions stipulated in Article (30) shall apply, and an invitation shall be sent for a second meeting, which may be held after an hour after the end of the period set for the first meeting, provided that the convening of the first meeting includes the announcement of the possibility of this second meeting, but in all cases, the second meeting will be valid if attended by shareholders representing at least (25%) of the Capital.
3. If the quorum is not achieved at the second meeting, and there is an invite to a third meeting to be held, then the same conditions stipulated in Article (30) of these By-Laws shall apply, and the third meeting will be valid irrespective of the number of shares represented therein, after obtaining the approval from the Capital Market Authority.

Article 34: Voting in the General Assembly:

Votes at the Constituent Assembly, the Ordinary General Assembly, and the Extraordinary General Assembly shall be calculated on a one vote for each share basis and the company must use cumulative voting in the election of the members of the Board of Directors, so that the shareholders may not use the right to vote more than once per share. Board members shall not participate in the vote on the Assembly resolutions which relating to their acquaintance of responsibility for the management of the company or that relate directly or indirectly to their interests.

Article 35: General Assembly Resolutions:

Resolutions at the Constituent Assembly and the Ordinary General Assembly shall be passed by absolute majority of the shares represented therein. However, if such resolutions are related to the assessment of shares in kind or special privileges, in this case the approval of the majority of subscribers of cash shares representing (two thirds) of the said shares, after excluding the shares subscribed in kind and beneficiaries of the special privileges, the resolution is related to the increase or reduction of the capital, the extension of the company term or dissolution of the company before the expiry of the term specified in its By-Laws, or the merger of the company with another company, in which case the resolution shall not be valid unless passed by a majority of three-quarters of the shares represented at the meeting.

Article 36: Discussions in the General Assembly:

Each shareholder has the right to discuss the topics on the agenda of the Assembly and ask questions on the matter to the members of the Board of Directors and the Auditors. Any text contained in these By-Laws which seeks to deprive the shareholder of this right, shall be considered void. The Board of Directors or the Auditor shall answer the shareholder's questions to the extent that it does not expose the company's interest to be damaged. If the shareholder feels that the answer to his/her question is not convincing, the shareholder should further deliberate the question with the General Assembly, and whatever the General Assembly decides on the matter shall take effect.

Article 37: The Chairman of the General Assembly and Preparing the Minutes:

1. The General Assembly shall be chaired by the Chairman, the Vice-Chairman, or whomever the Board elects from its members in the event of the Board Chairman absence.
2. The Minutes shall be prepared for the General Assembly containing the numbers of the present shareholders, or their representatives, the number of shares they own on behalf of themselves, or by proxy, the number of votes allocated thereto, the passed resolutions, the number of votes agreed and disagreed to such resolutions, and a full summary of the deliberations at the meeting. The Minutes of the meeting should be recorded on regular basis, after entering each meeting in a special record signed by the General Assembly, Chairman, meeting Secretary, and the Votes Collector(s).

Chapter Six

Board Committees Created by the Board Directors

Article 38: Board of Director's Committees:

Boards of Director's Committees shall be formed in accordance with all of the relevant rules and regulations.

Chapter Seven

The Auditor

Article 39: The appointing of the Auditors:

The General Assembly shall appoint on an annual basis two Auditors (or more) to be selected from the Auditors who are authorized to operate in KSA, and to determine their remuneration, and may re-appoint them, considering

that the duration must not exceed five continuous years, and that whoever finishes this period can be re-appointed again after two years. The General Assembly has the right to change the appointed Auditors, at any time, without prejudice to their right to their compensation, if the change took place at an incorrect time, or for an unjustified reason.

Article 40: The Authority of the Auditors:

The Auditor shall have the right to access the Company's books and records and other documents at any time. The Auditors may also request to have the statements and clarifications deemed necessary by them and to verify the Company's assets and liabilities, and other which falls within their authority. And the Chairman of the Board must enable them to perform their duties, and if the Auditors encountered difficulty in this regard, which proved in a report submitted to the Board of Directors, that if the Board did not facilitate the work of the Auditors, the Auditors may request the Board of Directors to call an Ordinary General Assembly to consider it.

Article 41: The Auditors' commitments:

The Auditors have to present to the annual General Assembly a report prepared in accordance with the Generally accepted auditing standards confirming that the company enabled them to obtain the data and explanations they have requested and that they have not detected any violation against the provisions of the Cooperative Insurance Companies control system and its implementing regulations, nor against any other rules and regulations, nor any other relevant opinions against the company's By-Laws, and including confirmation of the fairness of the presentation of the financial statements of the Company. The Auditors must recite the Auditors' report in the General Assembly. If the Assembly decides to ratify the Board's Report and the financial statements without listening to the Auditors' report, such decision shall be null and void.

Chapter Eight

Company Accounts and Distribution of Profits

Article 42: The Fiscal year:

The fiscal year of the Company shall begin first of January and end of December in each year, provided that the first fiscal year shall begin from the date of issue of the Ministerial Decision announcing the incorporation of the company and end on (31) December of the following year.

Article 43: Financial Statements:

1. The Board of Directors shall prepare financial statements at the end of each fiscal year (consisting of financial statements: the balance sheet of the insurance operations and shareholders, the surplus (deficit) from insurance operations, a breakdown of the major shareholders, a breakdown of the shareholders' equity, the statement of cash flows for the insurance operations and a statement of cash flows for the shareholder's), a report on the activities of the Company, and its financial position, for the financial year elapsed. This report should also contain the dividends proposed, and the Board must make available these documents at the disposal of the auditor, before the deadline for the convening of the General Assembly, and before (45) forty-five days at least.
2. The Chairman of the Board, the Chief Executive Officer, and the Chief Financial Officer shall sign the documents listed in paragraph (1), and the company shall ensure that copies of them are available in the Head Office of the company at the disposal of the shareholders, at least ten (21) twenty-one days prior to the date set for the General Assembly.

3. The Chairman of the Board has to provide the shareholders with the financial statements of the company, the Board of Directors' report and the Auditor's report, unless published in the daily newspaper distributed in the location of the Head Office of the Company, and to send a copy of these documents to the Capital Market Authority, prior to the date of the AGM by at least (15) fifteen days.

Article 44: Insurance Operations Accounts:

The accounts of the insurance operation are independent of the shareholders' income statement, as follows:

First: Insurance Operations Accounts:

1. The earned premiums account, reinsurance commissions, and other commissions shall be separate.
2. The account for the expenses incurred by the Company shall be separate.
3. The total surplus, that represents the difference between the total premiums and the expenses, shall be determined at the end of each year, minus marketing, administrative, and operational expenses, and any necessary technical provisions, as per the instructions regulating such.
4. The determining of the net surplus shall be as follows:
It shall be calculated by adding to the total surplus stated in Paragraph (3) above, or deducted from it, the insured returns on investment after calculating the insured's returns and deducting the realized expenses.
5. The net surplus shall be distributed with a distribution of (10%) ten percent to the insured, either directly or by lowering the insured's premiums in the following year, and (90%) ninety percent to the Shareholders' Income Accounts.

Second: Statement of Shareholders' Income

1. The shareholders' earnings shall consist of the return on the investment of their funds in accordance with the regulations put forth by the Board of Directors.
2. The shareholders' share of the net profit shall be as is stated in Paragraph (5) of Clause (1) of this Article.

Article 45: Zakat and Reserves:

The Company must:

1. Put aside zakat and scheduled income tax.
2. Put aside (20%) of the net profit to form the statutory reserve and the Ordinary General Assembly may discontinue the deduction for the statutory reserve when such reserve has reached (100%) of the paid-up capital.
3. The Ordinary General Assembly may, at the proposal of the Board of Directors, set aside a percentage from the annual net profits to form an excess reserve to be allocated for certain objectives approved by the General Assembly.
4. The Company's annual net profits, that it determines, shall be distributed after deduction of all general expenses and other costs, and the formation of the necessary reserves to counter doubtful debts, investment losses and contingent liabilities, that the Board of Directors deems necessary in accordance with the provisions of the Cooperative Insurance Companies control system and regulations, and the provisions required by the Saudi Arabian Monetary Authority. The remainder of the profits after deducting the reserves determined under the relevant regulations and Zakat, not less than 5% of the paid-up capital for distribution to shareholders according to what is proposed by the Board of Directors, and decided by the General Assembly, and if the remaining

percentage of the profits owed to shareholders is not sufficient to pay this percentage, the shareholders may not claim to pay it in the following year or years, and the General Assembly may not decide to distribute a percentage of the profits in excess of what was proposed by the Board of Directors.

Article 46: Profitability:

Shareholders are entitled to their share in the profits in accordance with the General Assembly resolution adopted in this regard, and as set out in the resolution per the due date and the date of the distribution. And to be eligible to the dividends the shareholders need to be the owners of the registered shares in the shareholder register at the end of the due date. The Ordinary General Assembly, upon the proposal of the Board of Directors, may allow a percentage of the annual net profits to be used to create additional reserves, and to customize it for the Company's objectives, or particular objectives determined in accordance with the regulations and the written approval of the Saudi Central Bank.

Article 47: The Company's losses:

If the Company's losses reach (half) the paid-up capital at any time during the fiscal year, the Company must inform the authorized Company representative, or the Auditor as soon as possible so as to inform the Chairman of the Board, and the Chairman of the Board is to inform the members of the Board that, the Board of Directors must, within (15) fifteen days of being made aware, call an Extraordinary General Assembly meeting, within (45) forty-five days after becoming aware of the losses, to decide whether to increase or decrease the Company's capital – according to the Companies Law - and to the extent that it goes down in proportion to the losses to below (half) the paid-up capital, or the dissolution of the Company before the deadline. And the Company must publish the General Assembly resolution in all cases in on the website of the Ministry of Commerce and Investment. The Company terminates by the operation of the law if the General Assembly did not meet within the period specified above, or if it met and was unable to pass a resolution on the subject, or if the Company decided to raise the capital, in accordance with this Article's conditions, and the required shares subscription for the capital increase within (90) ninety days from the issuance of the General Assembly resolution.

Chapter Nine

Disputes

Article 48: Responsibility of the Company:

The Company is committed to all the work and actions conducted by the Board of Directors if they are outside the terms of reference, whether any stakeholder bad faith was known or not, or whether it was known or not that the actions were outside of the terms of reference of the Board.

Article 49: Responsibility of the Board of Directors Members:

1. The Board of Directors' members are jointly liable for the Company's compensation, whether to shareholders or third parties, for damages arising from claims of negligence in the running of the Company's affairs or for violating the provisions of the Cooperative Insurance Companies Supervision Law and its implementing regulations, or of other rules and regulations and other relevant regulations, and every condition to the contrary shall be void. It is the responsibility of all the Board members if the error arose from a decision issued. For the decisions made by a majority of votes, the members who opposed the decision shall only be considered not liable from actions arising from the decision if they are able to demonstrate their opposition clearly through the

minutes of the meeting. Absence of attendance from the meeting at which the decision was made shall be considered to be a reason for exemption from the liability issued only if it is clearly proven that the member was not aware of the decision and has been noted as absent, or can prove that it was not possible to challenge it after having learned of the decision.

2. Does not preclude a claim of responsibility that the approval of the AGM discharged the Board of Directors.
3. Nor prevent the hearing of the case involving liability after the expiration of (3) three years from the date of the discovery of the harmful act. With the exception of the cases of fraud and forgery, where the case involving liability cannot be heard in all cases after (5) five years from the end of the fiscal year in which the act occurred.
4. Each shareholder has the right to file the liability lawsuit for the company against the members of the board of directors if the mistake made by them would cause special harm to him. The shareholder may not file the aforementioned lawsuit unless the company's right to file it is still valid. The shareholder must inform the company of his intention to file a lawsuit, while restricting his right to claim compensation for the special damage he suffered.
5. The company may be charged with the following expenses charged by the shareholder to institute a lawsuit, regardless of its outcome, under the following conditions:
 - A. If he filed a lawsuit in good faith.
 - B. If he submitted to the company for the reason for which he filed, the lawsuit and did not get a response within thirty days.
 - C. If it is in the interest of the company to file this lawsuit based on the provision of Article (seventy-nine) of the Companies Law.
 - D. That the lawsuit is based on a valid basis.

Chapter Ten

Company Dissolution and Liquidation

Article 50: The expiration of the Company:

1. The Company enters into a state of liquidation once it expires and maintains a legal personality necessary for the liquidation of the extent.
2. Where a liquidation decision has been issued by the shareholders or the General Assembly.
3. it must include in the liquidation decision the appointment of a liquidator, and determine his/her powers and his/her fees, and restrictions on the powers necessary for the liquidation of the time, duration and should not exceed a period of voluntary liquidation of (5) five years, and may not be extended for more than that except by judicial order.
4. Ending the Company's Board authority to resolve, though it remains such that those in charge of the Company's management are able to prepare for the role of the liquidators/to be appointed liquidator, and the rest of the services of the Company per the liquidation terms of reference, that are not inconsistent with the terms of reference of the liquidator for, and to take into account the rights of the participants in the surplus from the insurance operations, and reserves, made up as stipulated in Articles (44) and (45) of these By-Laws.

Chapter Eleven

Final Provisions

Article 51: Company By-Laws:

The provisions of the cooperative Insurance Companies Supervision Law and its Implementing Regulation, the Companies' Law, and its Executive Regulations and any other relevant instructions and regulations shall be applied to everything not mentioned in these By-Laws.

Article 52: Publication:

These By-Laws shall be lodged and published according to the Companies' Law and its Regulations.