

SECTION I

COMPANY INCORPORATION

Article 1: Incorporation:

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

Article 2: Company name:

Arabian Shield Company for Cooperative Insurance, a Saudi Joint Stock Company.

Article 3: Purposes of the Company:

To carry out the business of cooperative insurance and everything related to these works, for example general insurance, medical insurance, protection insurance and savings. The company may carry out all the work necessary to achieve its purposes, whether in the field of insurance or investment of its funds, and to own, transfer, sell, replace or rent fixed and cash funds through it directly or through companies that it establishes or buys or in partnership with other bodies. The company carries out its activities in accordance with the provisions of the Cooperative Insurance Companies Control Law and its executive regulations and the laws and rules in force in the Kingdom of Saudi Arabia, after obtaining the necessary licenses from the competent authorities, if any.

Article 4: The Participation and Ownership in Companies

The company may establish, limited liability companies, or closed shareholding (provided that the capital is not less than (5) five million Saudi riyals), and it may also own shares and quotas in other existing companies or merge with them and have the right to participate with others in the establishment of joint-stock or limited liability companies - provided that the companies established by the company, participate in it, or merge with it, carry out business similar to its business or financial business or which cooperates in achieving its purpose - after fulfilling the requirements of the regulations and instructions followed in this regard, and after obtaining the approval of the Saudi Arabian Monetary Agency.

Article 5: The Head Office of Company

The head office of the company shall be in the city of Riyadh in the Kingdom of Saudi Arabia, and it is permissible by a decision of the extraordinary general assembly to transfer the head office to any other city in the Kingdom of Saudi Arabia with the approval of the Saudi Arabian Monetary Agency. The company may establish

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branches, offices or agencies for it inside or outside the Kingdom of Saudi Arabia after obtaining the approval of the Saudi Arabian Monetary Agency.

Article 6: Duration of the company:

The duration of the company is (99) ninety-nine Gregorian years starting from the date of its registration in the Commercial Register, and the duration of the company may be extended by a decision issued by the Extraordinary General Assembly at least one year before the end of this period.

SECTION II

**REGULATIONS THE COMPANY MUST ADHERE TO WHILE CARRYING OUT ITS
SPECIFIC ACTIVITIES AND PURPOSES**

Article 7: The Company's Investments:

The Company shall invest the accumulated funds of the insured and shareholders in the Company in accordance with the rules established by the Board of Directors and in a manner that does not conflict with the Cooperative Insurance Companies Control Law and its executive regulations and other relevant regulations and instructions issued by the Saudi Arabian Monetary Agency or any other relevant body.

SECTION III

CAPITAL AND SHARES:

Article 8: Capital:

The Company's capital is (638,524,620) six hundred and thirty-eight million five hundred and twenty four thousand six hundred and twenty Saudi riyals, divided into (63,852,462) sixty-three million eight hundred and fifty-two thousand four hundred and sixty-two shares with a nominal value of (10) Saudi riyals per share.

Article 9: The Subscription to Shares:

The shareholders subscribed for the entire capital of the Company, and the value was paid in full.

Article 10: Shareholders Register:

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

Article 11: Issuance of Shares:

Shares are nominal and may not be issued for less than their nominal value. Rather, they may be issued at a higher value, and in the latter case, the difference in value is added in a separate item within the shareholders' equity. They may not be

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distributed as dividends to shareholders, and the share is indivisible in the face of the company. If the share is owned by multiple persons, they must choose one of them to represent them in the use of the rights related to it. These persons shall be jointly liable for the obligations arising from the ownership of the share.

Article 12: Shares Trading:

Shares subscribed by the founders may not be traded until after the financial statements have been published for two fiscal years, each of which is not less than twelve months from the date of the company's incorporation. The instruments of these shares shall be marked with evidence of their type, the date of company's incorporation and the period during which their trading is prohibited. However, during the period of prohibition, ownership of the shares may be transferred in accordance with the provisions of the sale of rights from one of the founders to another founder or from the heirs of one of the founders - in the event of his death - to third parties or in the case of execution on the funds of the insolvent or bankrupt founder, provided that the priority of owning those shares is for the other founders, and the provisions of this article shall apply to what the founders subscribe to in the case of increasing the capital before the expiry of the period of prohibition.

Article 13: Increasing the Capital:

The Extraordinary General Assembly may decide to increase the capital of the Company - after obtaining the approval of the competent authorities - and provided that the capital has been paid in full. The shareholder who owns the share - at the time of the issuance of the General Assembly's decision approving the capital increase - has priority in subscribing to the new shares issued in exchange for cash shares, and informs them of their priority - if any - by publishing in a daily newspaper or by informing them by registered mail of the decision to increase the capital, the terms of subscription, its duration and the date of its start and end. The Extraordinary General Assembly shall have the right to suspend the right of priority to shareholders in the subscription to increase the capital in exchange for cash shares or to give priority to non-shareholders in cases it deems appropriate in the interest of the Company. The shareholder shall have the right to sell or waive the right of priority during the period from the time of the General Assembly's decision to approve the increase the capital until the last day of subscription in the new shares associated with these rights, in accordance with the controls set by the competent authority.

Article 14: Capital Reduction:

The Extraordinary General Assembly may decide to reduce the capital if it exceeds the need of the company or if it incurred losses - after obtaining the approval of the competent authorities - provided that the capital paid to the insurance company after the reduction of the capital shall not be less than (100) hundred million riyals, and the capital paid to the reinsurance company or the insurance company that carries out reinsurance work at the same time shall not be less than (200) two

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hundred million riyals. The reduction decision shall not be issued unless after reading a special report prepared by the auditor on the reasons for it and on the obligations of the company and on the impact of the reduction in these obligations. If the capital reduction is due to increase on the need of the company, the creditors shall be invited to express their objections within (60) sixty days from the date of publication of the reduction decision in a daily newspaper distributed in the area in which the company's center is located. If one of the creditors objects and submits his documents to the company on the aforementioned date, the company must pay him his debt if it is due or provide him with a sufficient guarantee to pay it if it is deferred.

SECTION IV

BOARD OF DIRECTORS:

Article 15: Management of the Company:

The Company shall be managed by a Board of Directors of eight (8) members elected by the Ordinary General Assembly for a period not exceeding three years. The composition of the Board of Directors shall reflect an appropriate representation of the independent members. In all cases, the number of independent members of the Board shall not be less than three (3) members or one third of the members of the Board, whichever is the greater. As an exception, the Constituent Assembly shall appoint the members of the first Board of Directors for a period not exceeding three (3) years starting from the date of the announcement of the decision of the Ministry of Commerce and Investment to establish the Company.

Article 16: Expiration of Board Membership:

The Board membership shall terminate upon the expiration of the term of appointment, resignation or death, or if the Board of Directors proves that the member has breached his duties in a manner detrimental to the interest of the Company, provided that this is accompanied by the approval of the ordinary general assembly, or the end of his membership in accordance with any regulation or instructions in force in the Kingdom of Saudi Arabia, or if he is adjudged bankrupt or insolvent, or submits a request for settlement with his creditors, or stops paying his debts or becomes insane, or becomes mentally ill, or if it is proven that he has committed an act that violates honesty and morality, or has been convicted of forgery. However, the ordinary general assembly may at all times dismiss all or some of the board members, without prejudice to the right of the dismissed member towards the company to claim compensation if the dismissal occurs for an unlawful reason or at an inappropriate time. The board member may retire provided that this is at an appropriate time and that he is not responsible before the company for the damages resulting from the retirement.

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Article 17: Vacant position in the Board:

In the event that the position of a member of the Board becomes vacant, the Board may temporarily appoint a member in the vacant position who has sufficient experience and after obtaining the approval from the Saudi Arabian Monetary Agency and without considering the arrangement of obtaining votes in the General Assembly through which the Board of Directors was elected. The Capital Market Authority shall be notified within five (5) working days of the appointment and such appointment shall be submitted to the Ordinary General Assembly at its first meeting, and the new member shall complete only the term of his predecessor. It is permissible, by a decision of the competent authority, to convene the ordinary General Assembly in the event that the number of the Board members falls short of the minimum validity of its meeting, and the Saudi Arabian Monetary Agency must be notified upon the resignation of any member of the Board or the termination of his membership for any reason other than the end of the session of the Board within (5) five working days from the date of leaving work and taking into account the relevant disclosure requirements.

Article 18: Powers of the Board:

Subject to the competences prescribed for the General Assembly, the Board of Directors shall have the widest powers in the management of the Company to achieve its purpose. It shall also have the right, within the limits of its competence, to delegate one or more of its members or third parties to carry out certain work or works - in a manner that does not conflict with the relevant laws and regulations - including, but not limited to, representing the Company in its relations with third parties and government and private bodies. The judicial powers of the Chairman of the Council shall be before all Sharia courts, the Board of Grievances and labor offices, high and primary committees for the settlement of labor disputes, the Commercial Papers Committee, all other judicial committees, arbitration bodies, civil rights, police departments, chambers of commerce and industry, all companies, institutions, banks, treasury, all government finance funds and institutions with their various names and competencies, and other lenders. The Chairman of the Board shall have the right to approve, claim, defend, plead, adjudicate, waive, accept and deny judgments, arbitrate, request and oppose judgments execution, to execute and discharge the Company's debtors of their obligations, enter into tenders, sell and buy real estate. The Board of Directors also has the right to contract and sign, in the name of and on behalf of the Company, all types of contracts and documents, including but not limited to articles of incorporation of companies in which the company is a partner with all of their amendments, addendums, amending decisions, and has the right to sign agreements and instruments before a notary and official bodies, as well as agreements for loans, securities, and guarantees, instruments for the sale and purchase of real estate, and the right to issue legal representation on behalf of the company, buy, sell, discharge, accept, receive, deliver, rent, lease, receive, pay, open accounts and credits, withdraw and deposit with banks, issue guarantees to banks, funds, and institutions of government funding, sign all papers,

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promissory notes, checks, and all commercial papers and documents, and all banking transactions.

Article 19: Remuneration of Board Members:

The minimum annual remuneration of the Chairman and members of the Board shall be (50,000 riyals) fifty thousand Saudi riyals and the maximum amount of five hundred thousand Saudi riyals annually for their membership in the Board and their participation in its work, including additional remuneration in the event that the member participates in any of the committees emanating from the Board of Directors. In the event that the company achieves profits, a percentage equivalent to (10%) of the rest of the net profit may be distributed, after deducting the reserves decided by the General Assembly in accordance with the provisions of the Cooperative Insurance Companies Control Law and after distributing a profit to the shareholders that is not less than (5%) of the paid-up capital of the company, provided that the entitlement of this remuneration is proportional to the number of meetings attended by the member, and any estimate to the contrary shall be null and void. In all cases, the total amount of remuneration and financial or in-kind benefits received by the Board member shall not exceed five hundred thousand riyals annually. The maximum allowance for attending the sessions of the Board and its committees shall be five thousand riyals for each session, excluding travel and accommodation expenses. Each Board member, including the Chairman of the Board, shall be paid the actual expenses incurred by them to attend meetings of the Board or committees emanating from the Board of Directors, including travel, accommodation and subsistence expenses. The report of the Board of Directors to the Ordinary General Assembly must include a comprehensive statement of all the remunerations, expense allowances and other benefits received by the Board members during the financial year. It shall also include a statement of what the board members received in their capacity as workers or administrators, or what they received in return for technical or administrative work or consultancy. It shall also include a statement of the number of Board sessions and the number of sessions attended by each member from the date of the last meeting of the General Assembly.

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

The Board of Directors shall appoint from among its members a Chairman, a Deputy Chairman and a Chief Executive Officer, and it may appoint a Managing Director. The position of Chairman of the Board may not be combined with any executive position in the Company. The Chairman of the Board shall have the right to sign on behalf of the Company and implement the decisions of the Board. The Chairman of the Board shall be competent to represent the Company before the judiciary, arbitral tribunals and third parties. The Chairman of the Board may, by a written decision, delegate some of his powers to other members of the Board or to third parties in carrying out a specific work or works. The Board of Directors shall determine the salaries,

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allowances and remunerations of the Chairman of the Board and the Managing Director in accordance with what is decided in Article (19) of this Articles. The Board of Directors must appoint a Secretary to the Board. The Board may also appoint one or more consultants to it in the various affairs of the Company, and the Board shall determine their remuneration. The term of the chairman, his deputy, the managing director, and the secretary of the board shall not exceed the term of their membership in the board, and they may be re-elected, and the board may dismiss them or any of them at any time without prejudice to the right of those dismissed to compensation if the dismissal occurred for an unlawful reason or at an inappropriate time.

Article 21: Board Meetings:

The Board shall meet at the head office of the Company at the invitation of its Chairman. The Chairman of the Board shall call for a meeting whenever requested by two members. The invitation shall be documented in such manner as the Board deems fit. Meetings of the Board shall be held periodically and whenever necessary, provided that the number of annual meetings of the Board shall not be less than (4) meetings, so that there shall be at least one meeting every three months.

Article 22: Quorum for Board Meeting:

The Board meeting shall not be valid unless attended by four (4) members themselves or by proxy, provided that the number of members present themselves shall be at least three (3) members, including an independent member, and the member may deputize another member to attend the meetings of the Board and vote therein. The decisions of the Board shall be issued by a majority of the members present or represented in it, and in case of equality of opinions, the side with which the chairman of the session voted shall prevail. The Board of Directors may issue decisions on urgent matters by submitting them to the members separately, unless a member requests in writing a meeting of the Board for deliberation, in which case these decisions shall be presented to the Board of Directors at its first meeting.

Article 23: Board Deliberations:

The deliberations and decisions of the Board shall be recorded in minutes signed by the chairman of the session, the members of the Board present and the secretary. These minutes shall be kept in a special register signed by the Chairman of the Board and the Secretary.

Article 24: Agreements and Contracts:

The Company shall have the right, after obtaining the approval of the Saudi Arabian Monetary Agency, to conclude an agreement for the management of technical services with one or more companies qualified in the field of insurance. The members of the Board may conclude with the Company insurance contracts in which

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they have an interest, provided that the Chairman of the Board provides the General Assembly with the details of such insurance contracts. The board member shall inform the board of his direct or indirect interest in the business and contracts carried out for the company's account.

This notification shall be recorded in the minutes of the meeting, and this member may not participate in voting on the decision issued in this regard in the Board of Directors and Shareholders' Assemblies. The Chairman of the Board shall inform the ordinary general assembly, at the time of its meeting; of the works and contracts in which one of the Board members has a direct or indirect interest. The notification shall be accompanied by a special report from the company's external auditor. If the Board member fails to disclose his interest, the company or any interested party may claim before the competent judicial authority to nullify the contract or oblige the member to pay any profit or benefit realized from it.

SECTION V

SHAREHOLDER ASSEMBLIES

Article 25: Attendance of Assemblies:

The General Assembly, which is formed correctly, represents all the shareholders, and it is held in the city in which the company's head office is located, and each shareholder, whatever the number of his shares, has the right to attend the general assemblies of shareholders, and he may delegate someone other than the members of the Board or the company's employees to attend the General Assembly, and it is permissible to hold meetings of the general assemblies of shareholders and the participation of the shareholder in its deliberations and voting on its decisions by means of modern technology according to the controls set by the competent authority.

Article 26: Constituent Assembly:

The founders invite all subscribers to hold a constituent assembly within (45) forty-five days from the date of closing the subscription to the shares, and each subscriber, regardless of the number of his shares, has the right to attend the constituent assembly. The validity of the meeting requires the presence of a number of subscribers representing at least (half) of the capital. If this quorum is not available, an invitation shall be sent to a second meeting to be held at least fifteen (15) days after the invitation. However, the second meeting may be held one hour after the expiry of the period specified for the first meeting, and the invitation to the first meeting must include an indication of the possibility of holding such a meeting. In all cases, the second meeting is valid regardless of the number of subscribers represented therein.

Article 27: Competences of the Constituent Assembly:

The Constituent Assembly specializes in the following matters:

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- 1- Verify that all shares of the company have been subscribed to and that the minimum capital has been met in the amount due from the value of the shares.
- 2- Approval of the final texts of the company's articles of association, provided that no fundamental amendments are made to the articles of association, except with the approval of all the subscribers represented therein.
- 3- Appoint the first board of directors of the company for a period not exceeding (3) three years if they have not been appointed in the company's articles of incorporation or in its articles of association.
- 4- Appoint auditors for the company and determine their fees if they have not been appointed in the company's articles of incorporation.
- 5- Deliberation and approval of the founders' report on the works and expenses required for the establishment of the company.

Article 28: Competences of the Ordinary General Assembly:

Save for the matters falling within the competence of the Extraordinary General Assembly, the Ordinary General Assembly shall be in charge of all the matters related to the Company and convene at least one time every year during the six months following the end of the Company fiscal year. Other Ordinary General Assembly meetings may be convened whenever deemed necessary. One of the powers of the ordinary General Assembly is to form the Audit Committee and determine its fees.

Article 29: Competences of the Extraordinary General Assembly:

The Extraordinary General Assembly has the authority to amend the Company's Articles of Association 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 of Assemblies:

The date, place and agenda of the general assembly must be announced at least twenty-one days in advance and the invitation shall be published on the market website and the company's website and in a daily newspaper distributed in the area where the head office is located.

The general or special assemblies of shareholders shall be convened at the invitation of the Board of Directors, and the Board of Directors shall convene the ordinary general assembly if so requested by the auditor, the audit committee or a number of shareholders representing at least (5%) of the capital. The auditor may invite the assembly to convene if the board does not invite the assembly within thirty days from the date of the auditor's request.

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The date, place and agenda of the General Assembly must be announced at least twenty-one days before the date. The invitation shall be published on the website of the Market and the website of the Company and in a daily newspaper distributed in the area where the Company's head office is located. In addition, the Company may issue a call for the convening of general and special assemblies of its shareholders by means of modern technology.

Article 31: Associations' Register of Attendance:

Shareholders who wish to attend the general or special assembly register their names at the company's head office before the time specified for the assembly.

Article 32: Quorum for the Ordinary General Meeting:

The ordinary general meeting shall not be valid unless the shareholders representing at least (one quarter) of the company's capital are present. If this quorum is not present at the first meeting, a second meeting shall be called to be held within thirty days following the previous meeting. This invitation shall be published in the manner stipulated in Article (30) of this Articles of Association. However, the second meeting may be held one hour after the expiry of the period specified for the first meeting, provided that the invitation to hold the first meeting includes an indication of the possibility of holding this 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 33: Quorum for the Extraordinary General Meeting:

The Extraordinary General Meeting shall not be valid unless it is attended by shareholders representing at least (half) of the Company's capital (a higher percentage may be provided that it does not exceed two-thirds), and if this quorum is not present at the first meeting, the call for a second meeting shall be made in the same conditions stipulated in Article (30) of this Articles of Association. The second meeting may be held one hour after the end of the period specified for the first meeting, provided that the call for the first meeting includes an indication of the possibility of holding this meeting. In all cases, the second meeting shall be valid if it is attended by a number of shareholders representing at least (one quarter) of the capital. If the necessary quorum is not present at the second meeting, an invitation shall be sent to a third meeting held in the same conditions stipulated in Article (30) of this Articles of Association. The third meeting shall be valid regardless of the number of shares represented therein, after obtaining the approval of the competent authorities. Extraordinary general meetings of shareholders and the participation of the shareholder in their deliberations and voting on their decisions may be held by means of modern technology, according to the controls set by the competent authority.

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Article 34: Voting in Assemblies:

Votes in the Constituent Assembly and ordinary and extraordinary general assemblies shall be calculated on the basis of one vote per share. Cumulative voting shall be used in the election of the Board of Directors, so that the voting right for a share may not be used more than once. Members of the board 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 35: Assembly Resolutions:

Resolutions shall be issued in the Constituent Assembly by an absolute majority of the shares represented therein. Resolutions of the Ordinary General Assembly shall be issued by an absolute majority of the shares represented at the meeting. However, if such resolutions relate to the evaluation of special interests, the approval of the majority of the subscribers of the shares representing (two-thirds) of the said shares shall be required after excluding those subscribed by the beneficiaries of the special benefits. Resolutions shall be issued in the Extraordinary General Assembly by a two-thirds majority of the shares represented at the meeting, unless the resolution relates to the increase or reduction of the capital, the extension of the duration of the company or the dissolution of the company before the period specified in its Articles of Association or its incorporation into a company or other institution, the resolution shall not be valid unless it is issued by a three quarters of the shares represented at the meeting.

Article 36: Discussions in Assemblies:

Each shareholder has the right to discuss the topics included in the assembly's agenda and to direct questions in this regard to the members of the Board and the auditor. Any provision in the company's articles of association that deprives the shareholder of this right shall be void. The board of directors or the auditor shall answer the shareholders' questions to the extent that the company's interest is not harmed. If the shareholder deems that the answer to his question is not convincing, he shall appeal to the assembly, and its decision in this regard shall be enforceable.

Article 37: Presidency of Assemblies and Preparation of Minutes:

The general assembly is chaired by the chairman of the board or his deputy in his absence, or whoever is delegated by the board of directors from among its members for that in the absence of the chairman and his deputy. Minutes of the general assembly meeting are drawn up, including the number of shareholders present or represented, the number of shares they hold in person or by proxy, the number of votes assigned to them, the decisions taken, the number of votes that approved or disagreed with them, and an adequate summary of the discussion that took place at the meeting. The minutes are recorded regularly after each meeting in a special register signed by the chairman of the assembly, its secretary, and the vote collector.

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SECTION VI

COMMITTEES EMANATING FROM THE BOARD OF DIRECTORS:

Article 38: Board Committees:

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

SECTION VII

THE AUDITOR

Article 39: Appointment of Auditor:

The General Assembly must appoint auditors (or more) from among the auditors licensed to work in the Kingdom, and determine their remuneration and the duration of their work. They may be reappointed, and the General Assembly may also at all times change them without prejudice to their right to compensation if the change occurs at an inappropriate time or for an unlawful reason.

Article 40: Auditor Competences:

The auditor may - at any time - have the right to view the company's books, records and other documents and may request to obtain data and clarifications that he deems necessary. He may also verify the company's assets and obligations, and other matters within the scope of his work. The Chairman of the Board shall enable him to perform his duty, and if the auditor encounters difficulty in this regard, he shall prove this in a report submitted to the Board of Directors. If the Board does not facilitate the work of the auditor, it shall request the Board of Directors to invite the Ordinary General Assembly to consider the matter.

Article 41: Auditor's Obligations:

The auditor shall submit to the annual general assembly a report prepared in accordance with the generally accepted auditing standards, including the position of the company's management on enabling him to obtain the data and clarifications he requested and what may have been revealed in violation of the provisions of the Cooperative Insurance Companies Control Law and its executive regulations and other relevant regulations and instructions, and his opinion on the fairness of the company's financial statements. The Auditor's report shall be read to the General Assembly. If the Assembly decides to ratify the report of the Board of Directors and the financial statements without hearing the auditor's report, its decision shall be null and void.

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COMPANY ACCOUNTS AND DISTRIBUTION OF PROFITS

Article 42: Fiscal Year:

The financial year of the company starts from the first of (January) and ends at the end of (December) in the same year, provided that the first financial year starts from the date of the ministerial decision issued to announce the incorporation of the company and ends on (31) December of the following year.

Article 43: Financial Documents:

1. The Board of Directors shall at the end of each financial year prepare the financial statements (the financial statements shall consist of: the statement of financial position of insurance operations and shareholders, the statement of surplus (deficit) of insurance operations, the statement of shareholders' income, the statement of shareholders' equity, the statement of cash flows of insurance operations and the statement of cash flows of shareholders), and a report on the company's activity and financial position for the previous financial year. This report shall include the method it proposes for the distribution of profits, and the Board shall place these documents at the disposal of the auditor, at least 45 (forty-five) days before the date fixed for the general meeting.
2. The Chairman, Chief Executive Officer and Chief Financial Officer of the Company shall sign the documents mentioned in paragraph (1), and copies thereof shall be deposited at the head office of the Company at the disposal of the shareholders, at least twenty-one (21) days before the date fixed for the General Assembly.
3. The Chairman of the Board shall provide the shareholders with the financial statements of the Company, the report of the Board of Directors and the auditor's report unless they are published in a daily newspaper distributed at the head office of the Company. He shall also send a copy of these documents to the Ministry of Commerce and Investment and the Capital Market Authority at least fifteen (15) days before the date of the ordinary general assembly.

Article 44: Insurance Operations Accounts:

The Insurance Operations Accounts shall be independent from the Statement of Shareholders' Income, the details of which shall be as follows:

First: Insurance Operations Accounts:

- 1- The earned premiums account, reinsurance commissions, and other commissions shall be separate.
- 2- The account for indemnities incurred by the Company shall be separate.
- 3- The total surplus that represents the difference between total premiums and indemnities shall be determined at the end of each year, minus marketing,

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administrative and operational expenses, and necessary technical provisions, as per the instructions regulating such.

- 4- The determining of the net surplus shall be as follows:
The total surplus mentioned in paragraph (2) above shall be added or deducted from the investment return that belongs to the insured, after calculating their returns and deducting their realized expenses.
- 5- Distribution of the net surplus, either by distributing (10%) ten percent to the insured directly, or by reducing their premiums for the following year, and (90%) ninety percent is carried over to the shareholders' income accounts.

Second: Statement of shareholders' income:

- 1- The shareholders' dividends shall consist of the return on the investment of their funds in accordance with the regulations set forth by the Board of Directors.
- 2- The shareholders' share of the net profit shall be according to what is stated in the fifth paragraph of the first clause of this article.

Article 45: Zakat, Reserve and Dividend Distribution:

The Company shall:

- 1- Set aside zakat and scheduled income tax.
- 2- To set aside (20%) of the net profits to form a statutory reserve, and the ordinary general assembly may suspend this set aside when the total reserve reaches (100%) of the paid-up capital.
- 3- The Ordinary General Assembly, when determining the share of shares in the net profits, may decide to form other reserves, to the extent that it is in the interest of the Company or to ensure the distribution of fixed profits as far as possible to the shareholders.

Article 46: Dividend Entitlement:

The shareholder shall be entitled to his share in the profits in accordance with the decision of the General Assembly issued in this regard, and the decision shall indicate the date of maturity and the date of distribution. The entitlement of dividends to shareholders registered in the shareholders' registries shall be at the end of the day specified for the entitlement. The company shall inform the Capital Market Authority without delay of any decisions to distribute the profits or recommend them. The profits to be distributed to the shareholders shall be paid at the place and dates determined by the Board of Directors, in accordance with the instructions issued by the competent authority, taking into account SAMA's prior written consent.

Article 47: Losses of the Company:

If the company's losses amount to (half) of the paid-up capital at any time during the fiscal year, any official in the company or the auditor must immediately inform the Chairman of the Board, and the Chairman of the Board must inform the members of

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the Board of that, and the Board of Directors - within (15) Fifteen days from his knowledge of this – shall invite the extraordinary general assembly to meet within (45) forty-five days from the date of its knowledge of the losses to decide whether to increase or decrease the company's capital - in accordance with the provisions of the Companies Law - to the extent that the percentage of losses drops below (half Paid-up capital) or dissolution of the company before the term specified in its articles of association. In all cases, the Assembly's decision shall be published on the website of the Ministry of Commerce and Investment. The company shall be deemed expired by force if the extraordinary general assembly does not convene during the period specified above, or if it convenes and is unable to issue a decision on the matter, or if it decides to increase the capital according to the conditions prescribed in this articles of association, and the subscription of each capital increase is not made within 90 days as of the Assembly's decision to increase.

SECTION IX

DISPUTES

Article 48: Company Liability:

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

Article 49: Responsibility of the Board Members:

The members of the Board shall be jointly responsible for compensating the company, shareholders or third parties for the damage that arises from their abuse in managing the affairs of the company or their violation of the provisions of the Cooperative Insurance Companies Control Law and its executive regulations and other relevant regulations, laws and instructions. Any condition that requires otherwise shall be considered null and void. Responsibility lies with all members of the Board if the error arises from a unanimous decision. Decisions issued by a majority of opinions shall not be questioned by dissenting members once they have expressly proven their objection in the minutes of the meeting. Absence from the meeting at which the decision is issued shall not be considered a reason for exemption from liability unless it is proven that the absent member is not aware of the decision or is unable to object to it after being aware of it. The approval of the ordinary general assembly to discharge the members of the board shall not preclude the filing of a liability claim. The claim of liability shall not be heard after the lapse of (3) three years from the date of discovery of the harmful act. With the exception of - the cases of fraud and forgery, the case of liability shall not be heard in all cases after the lapse of (5) five years from the date of the end of the fiscal year in which the harmful act occurred or (3) three years from the end of the membership of the concerned member of the Board, whichever is later. Each shareholder has the right to file the liability claim prescribed for the company against the members of the Board if the harmful act from them would cause him special damage, and the

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shareholder may not file the aforementioned claim unless the right of the company to file it still exists. The shareholder must inform the company of his intention to file the claim, while limiting his right to claim compensation for the special damage he suffered.

SECTION X

LIQUIDATION OF THE COMPANY

Article 50: Termination of the Company:

The company shall enter the liquidation role as soon as it expires and shall retain the necessary legal personality to the extent necessary for the liquidation. The optional liquidation decision shall be issued by the Capital Market Authority. The liquidation decision shall include the appointment of the liquidator, the determination of his powers and fees, the restrictions imposed on his powers and the period of time required for the liquidation. The optional liquidation period shall not exceed (5) five years, and may not be extended beyond that except by a judicial order. The powers of the company's board of directors ends with its dissolution. However, they remain in charge of the company's management and are considered to be liquidators for others until the liquidator is appointed. During the liquidation period, the company's organs shall retain their competencies that do not conflict with the competencies of the liquidator. In the liquidation, consideration shall be given to preserving the right of the participants in the dissolution of insurance operations and the precautions formed as stipulated in Articles (44) and (45) of this Articles of Association.

SECTION XI

FINAL PROVISIONS

Article 51: Company's Law

The provisions of the Cooperative Insurance Companies Control Law, its Executive Regulations, the Companies Law and its regulations, and other relevant laws, regulations and instructions shall apply to all that is not mentioned in this Articles of Association.

Article 52:

This Articles of Association shall be deposited and published in accordance with the Companies Law and its Regulations.

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