



شركة الخزنة للتأمين ش.م.ع. Al Khazna Insurance Company P.S.C

ARTICLES OF ASSOCIATION

SECTION 1 INCORPORATION OF THE COMPANY

Article 1

INTRODCUTION

Al Khazna Insurance Co. was incorporated as per the provisions of Law 8/1984 in relation to the commercial companies and Law 9/1984 in relation to insurance companies. These Articles of Association is the agreement between the shareholders signing the incorporation contract of a P.S.C company. Article 374 of the Federal Law No.2/2015 stipulates that all companies which fall under the jurisdiction of this Law to take all necessary actions to comply with all the provisions of the Law. Therefore, the shareholders of the Company have agreed to amend the Articles of Association so as Al Khazna Insurance Company to be "Al Khazna Insurance Company P.S.C."

These Articles of Association were endorsed and approved by the shareholders during the shareholders meeting held on 30th April 2017 at Janat Al Sarab Hotel, Abu Dhabi.

Article 1

Definitions

State	United Arab Emirates
Companies' Law	Federal Law No.2/2015 and any amendments thereof.
Insurance Law	Federal Law No.6/2007 in relation to the establishment of the Insurance Authority and any amendments thereof.
Insurance resolutions	All resolution/decisions issued by the Insurance Authority related to insurance companies.
Authority	Securities and Commodities Authority
Insurance Authority	UAE Insurance Authority
Concerned Authority	Economic Development Dept. in the concerned emirate.

Stock Market	Abu Dhabi Securities Exchange
Article of Association	The Company's Articles of Association
BOD	The Company's Board of Directors
BOD member	The Chairman and any member appointed by a legal person or elected by the Shareholders Meeting.
governance standards	it covers the constitution and conduct of boards of directors and the relationships between directors, employees and shareholders
Special Resolution	resolution passed by a majority of not less than 75% of the total voting rights of eligible members at the Shareholders Meeting.
Cumulative voting	Allowing a shareholder to cast all of his votes for a single nominee for the board of directors or distributing the votes on multiple nominees saving that the number of votes cast does not exceed the number of his votes.
Conflict of Interest	conflict of interest is a situation in which could possibly corrupt the motivation or decision-making of the Company for personal interest.
Exercising some level of control	Having influence (directly or indirectly) in the appointment of BOD members or in passing resolution by the BOD or the shareholders meeting by the means of holding considerable number of shares or by the means of special arrangements leading to the desirable result.
Stakeholders	<ul style="list-style-type: none"> ● Chairman, BOD members, senior managers, any company which they hold the majority of shares, mother company, sister companies, and other affiliates of the Company. ● The first-degree relatives of the Chairman, BOD members, and senior managers. ● Any natural person or a legal person who held 10% of the total shares during the previous year or who is BOD member of the Company or its mother company or any of its affiliates. ● Any person who has influence/control over the Company.

Article 2

Name of the Company

The name of the Company is Al Khazna Insurance Company P.S.C.

Article 3

Main Office

The main office of the Company is located in Abu Dhabi city; the BOD may establish other branches in other places inside and outside the UAE.

Article 4

Term

The Company's term is 100 years starting from registering the Company in the Commercial Register at the concerned authority. The term can be renewed for similar periods unless a resolution passed by the shareholders meeting in relation to amending the term or dissolving the Company.

Article 5

Scope of Business

The Company is mainly involved in the insurance services business as follows :

1. Life Insurance ;
All types of life insurance and associated risks
2. Savings & funds;
3. Fire & associated perils insurance ;
Insurance cover against fire and associated perils. Also against other perils like natural disasters, explosions, civil commotions , riots, wars, and other similar risks associated with fire accidents.
4. Land, marine, and air transportation insurance;
Insurance covers damages and losses resulting from accidents to the means of transport; trucks, ships, airplanes including their equipment and machinery. The cover includes the damages to cargo, luggage, materials, properties, funds, freight fees and all other risks. The insurance also covers third party liability.
5. Accident & Liability Insurance;
All insurance services against the damages and losses resulting from traffic accidents, transportation accidents including vehicles and other personal accidents, diseases, work injuries. The insurance cover also includes incidents of theft, embezzlement, loss /destruction of properties, risks associated with debts, bonds, and financial investments. The cover also includes risks associated with agricultural, industrial, and engineering activities. Generally, the insurance covers all civil liabilities associated with accidents.
6. Other types of insurance not included in this list;
All categories of insurance not included in this Article 5 and insurance types that may introduced in the future.
7. Reinsurance services ;
Reinsurance services for direct insurance operations in compliance the applicable laws and regulations.
8. The Company may be involved with other entities and companies in some activities similar to the activities practiced by the Company; The Company may aquire these entities or companies in the future as per the applicable laws.

9. The Company cannot be involved in any kind of activity which requires license from a regularity entity without obtaining such license whether in the UAE or any other country.

The Company shall always abide and adhere to all regulations and instructions issued by the Insurance Authority.

SECTION 2 SHARE CAPITAL

Article 6

The Company's share capital is AED 420 million; the share nominal value is AED1 (one dirham). All shares are equal in value.

Article 7

Holding Shares

At least 75% of the total share capital should be held by UAE nationals. GCC nationals and other expats should not hold more than 25% of the total share capital.

Article 8

Shareholder Liability

The liability of the shareholder is limited to the number of shares he holds. No increase of liability should be applied without the the consent of all shareholders.

Article 9

Adherence to the Articles of Association and the Resolutions of the Shareholders Meetings

All shareholders should adhere to the Articles of Association and to the resolution passed by the shareholders meetings. A shareholder cannot request refund of his contribution to the Company's share capital.

Article 10

indivisible shares

The shares shall be indivisible with regard to the Company. Joint owners of indivisible shares shall be jointly liable for the ownership of the shares; joint owners should nominate one person to represent them; in case no agreement reached regarding the representative, any of the joint owners can resort to the competent court; the ruling of the court should be sent to the Company and ADX.

Article 11

Ownership of Shares

The ownership of a share entitles the owner to the same equity stake in the assets of the Company and the profits like all other shareholders. Also this applies upon the liquidation of the company.

Article 12

Transactions Related to Shares

- a) The Company should adhere to the regulations applied by the Stock Market registered at in relation to all transactions related to issuing, registering, transfer, pledging, and any rights related to the shares; no shares shall be registered, transferred , or pledged if the transaction is in contrast with these Articles of Association or any other laws and regulations applied.
- b) The Company shall always adhere to the Insurance Law.

Article 13

Heirs of a Shareholder – Creditors

- a) The heirs of the deceased shareholder shall have jointly the same rights in profits and other rights. They are also jointly liable for any inherited shares.
- b) The heirs or creditors shall have no rights to request the Company to sell/divide any of its assets ; they also have no rights to intervene in the management of the Company . Any rights shall be in compliance with the annual balance sheets and the resolutions of the shareholders meetings.

Article 14

Distribution of Dividends

Dividends shall be distributed as per the regulations and circulars issued by the Securities and Commodities Authority in this regard.

Article 15

Increase/Decrease of the Share Capital

- a) It is allowed to increase the share capital by the means of issuing new shares with the same original nominal value or by the means of share premium. It is also allowed to decrease the share capital.
- b) The value of an issued share shall not be less than the nominal value. However, if the new share value is greater than the nominal value, the difference in value shall be credited to the legal reserve even though the legal reserve becomes more than 50% of the share capital.
- c) Any increase/decrease in the share capital should be after obtaining the approval of the Securities and Commodities Authority and the Insurance Authority. The decision to increase/decrease the share capital should be through a resolution passed by the shareholders meeting after receiving recommendations from the BOD thereof; in both cases, the Auditor report should be presented to the shareholders meeting; the Auditor should clarify in his report the volume of the increase/decrease.

- d) Pre-emption right is for the existing shareholder in relation to the issue of new shares; the same regulation shall be applied as the case for the original shares before. The pre-emption right is excluded in the following cases;
- 1) The introduction of a new strategic partner that will boost the operations of the Company.
 - 2) The conversion of the cash debts (creditors: Federal Government, local governments, government entities, banks, financial institutions) into new shares.
 - 3) Incentive programs for the Company's employees by the means of issuing new shares for them.
 - 4) The conversion of bonds into new shares.

In relation to items 1), 2) , and 3) above, the approval of the Securities and Commodities Authority and the Insurance Authority should be obtained.

Article 16

Shareholder's Right to Inspect the Records

Any shareholder shall have the right to inspect the Company's records and any other documents in relation to any deal between the Company and any of the stakeholders; this should be allowed by a decision from the BOD or the Shareholders Meeting.

SECTION 3

BONDS

Article 17

Issuing Bonds

By the means of a special resolution, and after obtaining the approval of the Securities and Commodities Authority and the Insurance Authority, the Company has the right to issue bonds. The resolution thereof should specify the value of the bonds, terms of issuing bonds, the eligibility to be converted into shares. The Company may authorize the BOD to determine the date of issuing the bonds saving that the date of issuing the bonds shall not exceed one year period from the date of issuing the authorization thereof.

Article 18

Transferable of Bonds

- a) The Company may issue transferable bonds whether these bonds are convertible or non-convertible into shares.
- b) Bonds shall be issued for a named person not for the bearer.
- c) Bonds, issued to cover one loan, should grant holders equal rights and any terms and conditions contradicts this shall be considered void and invalid.

Article 19

Bonds Convertible to Shares

Bonds cannot be converted to shares unless clearly expressed in the agreement, documents or issuance statements. The holder of the bond has the right to accept the conversion of his bonds to shares or request the the payment of the value of the bond as he deems appropriate for him unless otherwise stated through an agreement that it is mandatory to convert the bonds into shares; in this case, mutual agreement by both parties is a must.

SECTION 4 BOARD OF DIRECTORS (BOD)

Article 20

Management of the Company

- a) The Company should be managed by a BOD consisting of 11 directors elected by the SHAREHOLDERS MEETING.
- b) All BOD members (including the Chairman) should be UAE nationals.
- c) The Insurance Authority should be informed in relation to any vacant position in the BOD or any other senior management position.

Article 21

Member Term

- a) A BOD member term is for 3 years; at the end of the term of the BOD, election shall be conducted to elect a new BOD; outgoing BOD members can be reelected.
- b) The BOD can appoint a director if the position becomes vacant; the appointment should be approved by the SHAREHOLDERS MEETING during the first meeting after the appointment.
- c) If, during the term of the BOD, 25% of the positions become vacant, the BOD shall call for a SHAREHOLDERS MEETING to elect directors for the vacant positions. The new BOD members will complete the term.
- d) The company should appoint a Secretary of the BOD; the Secretary should not be a BOD member.
- e) If a BOD member does not attend the BOD meetings for 3 consecutive times or 5 meetings during the BOD term, such member should be considered as resigned member.
- f) A BOD member shall be considered vacant if :
 1. the BOD member dies or becomes unable to carry out his duties as a BOD member. or
 2. Convicted of any crime; or
 3. he declares that is he bankrupt or became unable to pay his debts; or
 4. He submits his resignation through an official notice sent to the Company; or
 5. The BOD member term expires and the member is not reelected; or
 6. The SHAREHOLDERS MEETING issues a resolution terminating the membership of a member.

Article 22

Requirements for the BOD candidates

Any candidate should present to the BOD the following documents;

1. Detailed CV; including the experiences and qualifications;
2. Undertaking that he will be bound by the provisions of the Companies' Law, the Insurance Law, and these Articles of Associations;
3. A statement which includes the names of the companies that he works for or occupies a director position in addition to any activity practiced which may be considered as a competitive activity in relation to the Company's business.
4. Undertaking that he shall be bound by the provisions of Article 149 of the Companies' Law.
5. In case of a legal person, a signed letter should be submitted stating the names of persons authorized to compete for the BOD membership. Also an undertaking by each person that he accepts the nomination for the BOD membership.
6. A list of the companies which the candidate is a shareholder including the number of shares.

Article 23

Electing the Chairman and Vice Chairman

1. The BOD shall elect the Chairman and the Vice Chairman; the Vice Chairman shall be considered as the acting chairman during the absence of the Chairman.
2. The BOD may elect a managing director; the BOD shall define the duties and authorities of the managing director and his remunerations. The BOD may form a committee or more than one committee to be entrusted to carry out all the duties of the BOD or some of these duties. A committee may be entrusted to supervise the operations of the Company.

Article 24

Authorities of the BOD

- a) Full and complete authorities to manage the Company; to take all actions on behalf of the Company; no limits to the authorities of the BOD but the ones set by the Companies' Law and the regulations of the SHAREHOLDERS MEETING .
- b) The BOD is authorized to approve the administrative, financial, and staff regulations and their remunerations. The BOD is authorized to set the regulations in relation to organizing its duties and meetings in addition to assigning responsibilities.

Article 25

Representing the Company

- a) The Chairman or any other director (appointed by the BOD) has the right to sign any document on behalf of the Company.

- b) The Chairman is the legal representative of the Company before any judicial entity; the Chairman has the right to appoint any attorney/lawyer to represent the Company before any court.
- c) The Chairman may authorize any other BOD member in relation to all or part of the Chairman's powers.
- d) The BOD cannot authorize the Chairman in relation to all powers of the BOD.

Article 26

The Venue of the BOD Meetings

The BOD meetings shall be at the Company's main office or any other place approved by the BOD members.

Article 27

Quorum and Voting

- a) The BOD meeting shall be valid in case the majority of the BOD members attend the meeting. A director may appoint another director to represent him. A director cannot represent more than one director; the representing director shall have two votes.
- b) Absentee voting is not allowed. The representing director shall abide by all restrictions stated in the authorization letter issued by the absent director.
- c) All decision shall be made by the votes of the majority of the attending members and the representatives of the absent members. In case of the votes are equal, the Chairman vote shall be decisive.
- d) Minutes of meetings shall be kept and maintained; the minutes of meeting shall include all remarks and reservations made by the BOD members. The minutes of meetings shall be signed by all attending members. All the minutes of meeting of the BOD and its committees shall be kept by the BOD Secretary. In case any member refuses to sign the minutes of meeting, the minutes of meeting should record such objection and any details related thereof.

Article 28

BOD Meetings and Invitations

1. The BOD should convene at least four times during the fiscal year.
2. The meeting shall come after an invitation by the Chairman or by a request submitted by at least two members; the invitation should be sent to the BOD members through one week notice.

Article 29

Resolutions passed by Circulation

Nevertheless that the BOD should be committed by the quorum as stipulated in Article 32 of these Articles of Association, the BOD can pass resolutions by circulation in urgent

cases; these resolutions shall be considered valid as if taken in a meeting after inviting the BOD members. In such cases the following should be adhered to:

- a) The majority of the BOD members should agree that the case requires taking decision by circulation.
- b) The resolution should be sent in writing to all BOD members, along with any related documents, to be reviewed.
- c) To pass the resolution, the majority of the BOD members should approve the resolution by writing; the passed resolution should be discussed in the next meeting and included in the minutes of meeting.

Article 30

Involvement in a Competitive Business

Any BOD member cannot engage in any competitive business unless he obtains the approval of the Company's SHAREHOLDERS MEETING. Any BOD member cannot disclose any information related to the Company's business to others; if such violation is committed, the Company has the right to seek damages as any profits generated by such member, related to such violation, shall be considered as made for the interest of the Company.

Article 31

Conflict of Interest

- a) In case of any conflict of interest, related to any BOD Member or to the entity he represents, the Company should be informed regarding such case in order to take a decision by the BOD . Such member shall not have the right to vote in relation to any transaction related to that case of conflict of interest.
- b) If any violation committed in relation to the above item(a), the Company or any of its shareholders have the right to submit a claim to the competent court to terminate the contract/transaction or demand the member who committed such violation to pay the Company any profits generated from such contract/transaction.

Article 32

Loans to the BOD Members

1. It is not allowed to provide any loans to any BOD member nor any guarantees in relation to any loans. This also applies to the wives, children and relatives of the BOD members.
2. It is not allowed to provide any loans to any company which the BOD member (or any of his wives, children, and relatives) holds more than 20% of the share capital of that company.

Article 33

Transactions of the Stakeholders

Any stakeholder (BOD members or any other employees) is prohibited from making any personal benefit from any transactions related to the Company's shares in the stock

markets; They are also prohibited from having any direct or indirect relationship with any entity involved in activities affecting the value/prices of the Company's shares.

Article 34

Company's Deals with the Stakeholders

It is not allowed for the Company to have deals (not exceeding 5% of the Company's Share capital) with any stakeholder without the prior consent from the BOD. Any deal, exceeding 5% of the share capital, should be after obtaining the consent of the SHAREHOLDERS MEETING; the Auditor in his report shall include all the deals concerning the conflict of interests and the deals with the stakeholders.

Article 35

Appointment of the CEO and the GM

The BOD has the right to appoint a CEO or a GM or multiple GMs; the BOD has the right to define their powers and authorities and other conditions related to their services and numerations. The appointed CEO/GM cannot occupy the same position for another P.S.C company.

Article 36

Responsibility for the Acts of the BOD

The Company shall be liable for the acts of the BOD as per the duties for each member. The Company has the right to claim for damages for any irregularity committed by the Chairman or any other BOD member.

Article 37

The Liability of the BOD

- A. The BOD is responsible towards the Company, shareholders, and third parties for any fraudulent act, misuse of powers, any violation to the Companies' Law/ these Articles of Association, or mismanagement act.
- B. Any violation stated in Item A above, shall be borne by all BOD members if the resolution was passed by all members. If the resolution was passed by the majority of members, those who opposed the resolution shall not be liable if such opposition was recorded in the minutes of meeting. If one member was absent at the time of issuing the resolution, he shall be liable unless if he proves that he was unaware of such resolution or he was aware of the resolution but couldn't submit his objection.

Article 38

Remunerations

The Chairman and the BOD member's remunerations shall be as defined percentage of the net profits saving that it should not exceed 10% of the profits for the fiscal year. The BOD may decide to define a fixed salary or extra remuneration for a BOD member if he works for any special committee or provides special services or entrusted for extra duties in addition to his duties as a BOD member. However, no remuneration should be allocated for the Chairman or any BOD member for attending the BOD meetings.

Article 39

Removing the Chairman/BOD Member from the Board

The SHAREHOLDERS MEETING has the right to remove the Chairman or any/all BOD members from the Board; accordingly inviting candidates to the election of the vacant position as per the regulations applied by the Securities and Commodities Authority. The removed member shall have right to enter the election for the BOD membership after the lapse of 3 years from the date of removing him from the Board.

SECTION 5

GENERAL SHAREHOLDERS MEETING

Article 40

- a) The General Shareholder Meeting shall be conducted in the Emirate of Abu Dhabi. Every shareholder has the right to attend the General Meeting; the number of votes for each shareholder shall be determined as per the number of shares held. Any shareholder can vote by proxy saving that the representative shall be out of the BOD members. The representative at the meeting shall not represent more than 5% of the Company's share capital. Shareholders who are minors or incompetent shall be represented by their legal attorneys.
- b) A legal person may authorize any person to represent him through a resolution passed by the board of directors.

Article 41

Notice in Relation to the Invitation for the SHAREHOLDERS MEETING

The invitation for the SHAREHOLDERS MEETING shall be published in two Arabic dailies and through registered mail notices sent to the shareholders 15 days prior to the meeting. The invitation shall include the agenda of the meeting. Copies of the invitation shall be sent to the Securities and Commodities Authority, the competent authorities, and the Insurance Authority. The copy of the invitation shall be sent to the insurance Authority 30 days prior to the date of the meeting.

Article 42

Invitation for the SHAREHOLDERS MEETING

- a) The invitation for the SHAREHOLDERS MEETING should be within 4 months from the date of the end of the fiscal year; also as deemed appropriate.
- b) The Securities and Commodities Authority, the Auditor or any shareholder holding more than 20% of the Company's share capital may submit a request to the BOD for the SHAREHOLDERS MEETING; the BOD shall invite shareholders for the SHAREHOLDERS MEETING within 5 days from receiving such request.

Article 43

Authority of the Shareholders Meeting

The authority of the Shareholders Meeting shall specifically review and take decisions in relation to :

- a) The BOD report in relation to the Company's operations, financial status during the fiscal year, and the Auditor annual report
- b) Balance sheet, profits/ losses
- c) Elect the BOD members if applicable
- d) Appoint the Auditor; define the fees
- e) The BOD proposal in relation to the dividends; cash or shares
- f) The BOD proposal in relation to the BOD members' remunerations
- g) Release the BOD members or remove them from the Board or submit claim against them in relation to their liability
- h) Release the Auditors or remove them from the office or submit claim against them in relation to their liability.

Article 44

Registration for Attending the Shareholders Meeting

- a) The shareholders, who desire to attend the meeting, shall register their names at the electronic register at the venue of the meeting; registration should be completed prior to the meeting.
- b) The registration shall include the name of the shareholder, the name of the representative (if applicable), the number of shares held/represented, the names of shareholders whom he represents (+ the authorization letter); then an attendance card is issued stating the number of votes (for his shares and for the shares of others) .
- c) Electronically generated statement shall be issued after the meeting; the statement shall include the number of shares represented in the meeting, attendance ratio. The statement should be signed by the secretary of the meeting, the chairman of the meeting, the Auditor. A copy of the statement shall be handed to the representative of the Securities and Commodities Authority. Another copy should be included in the file of the minutes of meeting.
- d) The registration for attending the meeting should be closed upon the announcement by the chairman of the meeting in relation to the availability/non-availability of the quorum; after that, no shareholder/representative shall be allowed to register; any comments or opinion by unregistered shareholders shall be disregarded.

Article 45

Register of the Company's Shareholders

The register, of the shareholders eligible for attending and voting at the Shareholders Meetings, shall be as per the regulations related to the registration of shares and share transfer procedures as applied by the stock market.

Article 46

Quorum for the Shareholders Meeting

- a) The Shareholders Meeting's authority is related to any issues related to the Company's business. The quorum for the meeting shall be by the attendance of the holders of 50% of the Company's share capital. In case the quorum is not available, the Shareholders Meeting shall be postponed and to be held within 5-15 days from the date of the first meeting; the meeting shall be valid regardless of the number of attending shareholders.
- b) Nevertheless the resolutions that should be passed by as per Article 50 of this Articles of Association, any other resolutions of the Shareholders Meeting shall be passed by the votes of the majority of the votes attending the meeting. All shareholders, whether attended the meeting or not, accepted the resolution or not, shall abide by the passed resolution. A copy of the resolution shall be sent to the Securities and Commodities Authority, Stock Market, and any concerned authority.

Article 47

Chairing the Shareholders Meeting – Minutes of Meeting

- a) The Shareholders Meeting shall be chaired by the Company's Chairman; in case he is absent, the Vice –Chairman shall chair the meeting; in case both are absent, the meeting shall be chaired by any shareholder elected by the shareholders for that. Voting method shall be determined by the SHAREHOLDERS MEETING . The SHAREHOLDERS MEETING shall appoint a secretary for the meeting. In case the Shareholders Meeting discusses any matters related to the chairman of the meeting, the shareholders should choose another person to chair the meeting during discussing these matters.
- b) The chairman of the meeting shall appoint a secretary for the meeting. In case the voting should be anonymous, the chairman of the meeting shall appoint one vote collector or more than one; then the results shall be announced.
- c) The minutes of meeting shall include the names of attending shareholders/representatives, number of shares for which the shareholders attended the meeting, resolutions passed, number of votes in favor/against the resolution, and other remarks related to the meeting.
- d) The minutes of meeting should be recorded in a special file as per the regulation applied by the Securities and Commodities Authority. The minutes of meeting document should be signed by the chairman of the meeting, secretary, vote collectors and the Company's Auditor; they are responsible for the information stated in the minutes of meeting.

Article 48

Method of Voting

The method of voting during the Shareholders Meeting shall be as determined by the chairman of the meeting unless decided otherwise by the shareholders meeting. If matters of electing BOD members, removing members from the Board, questioning BOD members, appointing BOD members (if applicable) as per Article 39 of this Articles of Association, the voting should be anonymous.

Article 49

BOD Members Participation in the Voting

- a) BOD members cannot participate in voting if it was for matters related to releasing the BOD members from liability or removing them from the Board or submitting a claim against them in relation to their liability for their actions.
- b) In case the BOD member represents a legal person, the shares of that person should be disqualified from voting.
- c) Any shareholder, eligible to attend the shareholders meeting, should not be allowed to participate in the voting related matters regarding private interest or a dispute between him and the Company.

Article 50

Special Resolutions

A special resolution should be passed, by the majority of the votes representing not less than 75% of the shares attending the meeting, in relation to one of the following matters;

- a) Increase/decrease of the Company's share capital.
- b) Issuance of bonds
- c) Offering contributions in relation to supporting the society.
- d) Dissolving /merging the Company with another company.
- e) Offering the Company's assets for sale; provided that such assets were initially established as an integral part of the Company's goals
- f) Extending the term of the Company.
- g) Amending the Memorandum of Association or these Articles of Association
- h) In case where the Companies' Law requires the Company to issue a special resolution

In all cases, the consent of the Securities and Commodities Authority, the Concerned Authority, Insurance Authority should be obtained in relation any amendment to the these Articles of Association or the Memorandum of Association. (as per Article 139 of the Company's Law).

Article 51

Agenda

- a) The Shareholders Meeting should not discuss any matters not listed in the agenda of the meeting.
- b) However, the Shareholders Meeting has the capacity to discuss a matter not listed in the agenda if such matter :
 1. Related to serious issues arose during the meeting;
 2. In relation to adding an additional item in the agenda (as per the regulations of the the Securities and Commodities Authority) if shareholders, holding shares representing 10% of the Company's share capital, submit a request regarding that. The chairman of the meeting should propose discussing adding such item to the agenda before taking decision thereof.

SECTION 6
AUDITORS

Article 52

Appointing the Auditors

- a) The Shareholders Meeting should appoint one auditor or more than one as per the recommendations submitted by the BOD. The Auditor should be registered at the Securities and Commodities Authority and has the necessary license.
- b) The term of the Auditor is one year; the term is renewable. The Auditor is entrusted to audit the accounts of the Company during his term.
- c) The term of the Auditor commence by the end of the Shareholders Meeting up to the date of the next annual Shareholders meeting.

Article 53

Requirements for the Auditor

- a) Comply with the provisions of the Companies' Law and the Insurance Law and any other regulations and circulations issued thereof.
- b) The Auditor should be independent from Company and the BOD.
- c) The Auditor should not be a stakeholder
- d) The Auditor cannot occupy any other position like a BOD member, or any technical or managerial/administrative position in the Company;
- e) The Auditor cannot be a partner or representative of any of the Company's founders or any of the BOD members or a relative (up to second-degree relative)

Article 54

Powers of the Auditor

- a) Has the right to view/inspect all the records and documents of the Company and request clarification thereof in order to carry out his duties. He also has the right to inspect the Company's assets and liabilities. If the Auditor cannot get access to such records and information, he shall record that in a report to be submitted to the BOD. If the BOD does not take action, the Auditor shall send a copy of his report to the Securities and Commodities Authority, Concerned Authority and the Insurance Authority. He shall also present a copy of his report to the Shareholders Meeting.
- b) The Auditor is entrusted to inspect the accounts of the Company, the balance sheet, profits and losses, any deals between the Company and the stakeholders; provided that he should comply with the provisions of the Companies Law and the Insurance Law and all other related regulations. He should present his findings in a report submitted to the Shareholders Meeting; copies of the report should be sent to the Securities and Commodities Authority, the Concerned Authority, and the Insurance Authority. The Auditor should take care of the following in preparing his report;
 - The accuracy of the accounting records
 - Matching between the Company's accounts and the accounting records.

- c) If support is not provided to enable the Auditor to carry out his duties, he should state that in his report submitted to the BOD. If no action taken by the BOD, the Auditor shall raise the issue to the Securities and Commodities Authority and the Insurance Authority.

Article 55

The Auditor's Annual Report

- a) The Auditor shall submit his annual report to the Shareholders Meeting; the report should include all the data and information as stipulated by the Company's Law; he should state in his report and in the balance sheet any voluntarily contributions made by the Company to the local society (if any) and he has to state the beneficiary.
- b) The Auditor should attend the Shareholders Meeting and read his annual report; the Auditor should refer to any interference by the BOD in relation to the Auditor's duties. The report should be independent. During the shareholders meeting, the Auditor should present his view and opinion in relation to the Company's balance sheet, accounts, the financial status and violations spotted by him. The Auditor shall be liable for the information stated in his report; any shareholder has the right to question the Auditor in relation to the contents of the report.
- c) The Auditor is eligible to receive any notices related to the shareholders meetings like any shareholder.
- d) The Company is committed to send a copy of the Auditor's annual report to the Insurance Authority.

SECTION 7 FINANCIAL STATEMENTS

Article 56

Accounts

- a) The accounts should be prepared and maintained as per the international standards; the accounts should reflect the actual profits/losses for the financial year; the accounts shall comply with any requirements as per the Companies' Law or the Insurance Law and other regulations and circulations thereof.
- b) The Company shall adhere to the international standards in relation to the temporary and final accounts and the matters related to the distribution of dividends.

Article 57

Fiscal Year

Every fiscal year should commence on the 1st Jan. of every year and ends on the 31st Dec. of the same year except the first fiscal year which commence on the date of registering the Company at the Commercial Register.

Article 58
Balance Sheet

1. The annual balance sheet should be verified and checked before the annual shareholders meeting; the BOD should prepare a report in relation to the Company's operations and financial status at the end of the fiscal year; the report should include the recommendations regarding the distribution of dividends.
2. Copies of the annual balance sheet, profits & losses report, Auditor report, BOD report, and the governance report shall be sent to the Securities and Commodities Authority and the Insurance Authority.
3. The Company should send Securities and Commodities Authority a draft of the invitation that will be sent to the shareholders; this is to get the approval of the Securities and Commodities Authority for publishing the invitation in the local dailies prior to the meeting of the shareholders; the Company should adhere to the Article 172 of the Companies' Law as the invitation should be published at least 15 days prior to the date of the meeting.
4. The Company should immediately notify the Insurance Authority, in relation to any financial or managerial difficulties or any huge losses, as stipulated by the Insurance Law.

Article 59
Voluntary Reserve

The BOD may determine annual percentage of the profits to be allocated as reserve; this is to counterbalance the depreciation of the assets. The BOD shall determine how the reserve is operated while the reserve sums cannot be distributed to the shareholders.

Article 60
Distribution of Profits

The annual net profits, after deducting all costs, shall be distributed as follows;

- a) 10% of the net profits should be allocated to the **legal reserve**; the allocation should be halted whenever the legal reserve reaches 50% of the of the paid share capital. When the legal reserve drops below the 50% of the paid share capital, the Company should resume allocating funds to the reserve.
- b) The Shareholders Meeting may, upon recommendations from the BOD, take decision to allocate 10% of the annual profits as a **statuary reserve**; the allocation can be suspended by another decision by the Shareholders Meeting upon receiving recommendations from the BOD thereof. The spending of the statuary reserve funds shall be decided by the Shareholders Meeting upon receiving recommendations from the BOD thereof.
- c) 10% of the net annual profits shall be allocated as the BOD remunerations; the BOD shall present the recommendation thereof to the annual Shareholders Meeting. Any penalties/fines imposed on the Company shall be deducted from

the BOD remunerations if the penalty/fine resulted from the acts/decisions taken in contrast with the Companies' Law or these Articles of Association for the fiscal year. The annual Shareholders Meeting may take decision not apply such deduction if it deems that such penalties not resulted from underperformance or faults by the BOD.

Article 61

Legal Reserve

The legal reserve cannot be distributed to the shareholders. However, any excess beyond the 50% of paid share capital can be distributed to the shareholders in the fiscal year where the generated net profits are insufficient to be distributed.

Article 62

Dividends

Dividends should be distributed to the shareholders as per the regulation applied by the Securities and Commodities Authority; the Company may distribute the dividends on annual, semi-annual or quarterly basis as per the policy applied thereof or/and any recommendations presented by the BOD and approved by the Shareholders Meeting.

SECTION 8 DISPUTE RESOLUTION

Article 63

Any release, by the Shareholder Meeting in relation to the BOD, does not constitute waiver in relation to the civil liability in connection with the performance of the BOD members. If the matter was presented to the Shareholders Meeting, through a report presented by the BOD or the Auditor and the the Shareholders Meeting endorsed the report, the civil liability shall be dropped after one year from the date the Shareholders Meeting.

However, if a criminal act committed by any BOD member in relation to the Company's business, the liability shall not be dropped unless cleared by the judicial authorities.

SECTION 9 DISSOLUTION AND LIQUIDATION OF THE COMPANY

Article 64

The Company shall be dissolved for any of the following reasons:

1. Expiry of the term of the Company unless renewed.
2. Issuance a resolution by the General Assembly in relation to dissolving the Company.
3. If the Company enters a merger agreement with another company.
4. If a resolution is issued by a competent court in relation to dissolving the Company.

Article 65

Losses Reach 50% of the Share capital

If the Company's losses reaches 50% of the share capital, the BOD should ,within 30 days, calls for the convention of the shareholders meeting to to take decision in relation to the dissolution of the Company.

Article 66

Dissolution of the Company

Upon the expiry of the Company's term or upon dissolving the company, the BOD should request the SHAREHOLDERS MEETING take decision in relation to the method of the Company's dissolution and should appoint a liquidator. The BOD authority should be ended upon the issuance of the dissolving the Company. However, the BOD should continue its duties in relation to the operations of the Company. The BOD should be treated as liquidator until the time an external liquidator is appointed. The SHAREHOLDERS MEETING authority should continue until the completion of the liquidation process; saving that all regulations and guidelines of the Insurance Authority should be complied with.

SECTION 10

GENERAL PROVISIONS

Article 67

The Company shall be governed by all laws and regulations as per the provisions of the Company's Law and the Insurance Law. These provisions and regulations should be an integral part of the Company's internal law.

Article 68

Regular Inspection by the Insurance Authority

The BOD, managers, and the auditors should allow the representatives of the Insurance Authority to carry their duties in relation to the inspection on the Company's performance; they should be given access to all information and data, records including any branches and affiliates.

Article 69

The provisions, guidelines, instructions stipulated in the Companies' Law should prevail in case there is contradiction with these Articles of Association. However, the Company shall not be allowed to abide with the provisions, guidelines, instructions stipulated in the Companies' Law or these Articles of Association if they contradict the provisions and guidelines stipulated in the Insurance Law.

Article 70

These Articles of Association should be published as per regulations.