

Articles of Association
Malath Cooperative Insurance Co.
A Saudi Joint Stock Company

Chapter I

Incorporation of Company:

Article 1: Incorporation:

In accordance with the provisions of the Insurance Companies Control Law and its Implementing Regulations, the companies' law, the Capital Market Law and its Implementing Regulations, and the company's Articles of Association, a Saudi joint stock company among the owners of shares whose provisions are set out below, shall be incorporated

Article 2: Company Name:

Malath Cooperative Insurance is a Saudi Joint Stock Company.

Article 3: Objectives of the Company:

Exercising cooperative insurance business and all activities related to these businesses such as re-insurance, authorization, representation, correspondence, or brokerage. The company is entitled to perform all the work that needs to be done to achieve its objectives, whether in the field of insurance or investment, and to own, transfer, sell, replace or lease the fixed and cash funds, directly or indirectly through companies it incorporates or purchases, or in partnership with other bodies. The company shall conduct its activities in accordance with the provisions of the Cooperative Insurance Companies Control Law and its Implementing Regulations and the regulations and rules in force in KSA and 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 closed joint stock companies (provided that the capital shall not be less than (SAR 5,000,000) five million Saudi Riyals. It may also own shares and stocks in or merge with other existing companies. It may participate with third party in incorporating joint stock or limited liability companies - provided that the companies incorporated by the company or in which it participates or merges with, are engaged in activities similar to its business or financial business or that help the company achieve its purpose - and that is after fulfilling the requirements of the regulations and instructions followed in this regard, and after obtaining the approval of the Saudi Arabian Monetary Authority (SAMA).

Article 5: Company Headquarter:

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The headquarter of the company shall be in Riyadh in KSA, and by a decision of the Extraordinary General Assembly, it may be transferred to any other city in KSA with the approval of SAMA.

The company may incorporate branches, offices or agencies inside or outside KSA, after obtaining the approval of SAMA.

Article 6: Company Term:

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

Chapter II

Rules abided by the company in performing the specified business and objectives:

Article 7: The Company's Investments:

The company shall invest the insured and shareholders' funds in the company in accordance with the rules established by the Board of Directors (BOD) that comply with the Cooperative Insurance Companies Control Law and its Implementing Regulations and other relevant regulations and instructions issued by SAMA or any other related party.

Chapter III

Capital and Shares:

Article 8: Capital:

The company's capital shall be (SAR 500,000,000) five hundred million Saudi Riyal, divided into (50,000,000) fifty million shares of equal value with a nominal value of (SAR10) ten Saudi Riyal per share, all of which are common cash shares.

Article 9: Subscription for Shares:

The shareholders have subscribed by the full company's capital and the value was paid in full.

Article 10: Shareholders Register:

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

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Article 11: Shares Issuance:

The shares of the company shall be nominal, and they may not be issued at less than their nominal value, but they may be issued at a rate higher than this value. In this last case, the discrepancies in value shall be added in a separate item within the shareholders' rights. It may not be distributed as dividends to the shareholders. The share is indivisible towards the company; if the share is owned by multiple persons, they shall choose one of them for representation in using the related rights. These persons shall be jointly responsible for the obligations arising from the shareholdings.

Article 12: Shares Exchange:

Shares subscribed by the founders may not be exchanged except after publishing the financial statements for two financial years, each of which is not less than (12) twelve months from the date of incorporation of the company. The bonds of these shares shall be indicated clarifying their type, date of incorporation, and the period during which its exchange is prohibited; however, during the prohibition period, the ownership of shares may be transferred in accordance with the provisions of the sale of rights from one of the founders to another or from the heirs of one of the founders in case of his death to others or in the case of enforcement over the insolvent or bankrupt founder property, provided that the priority of owning these shares shall be given to the other founders. The provisions of this Article shall apply to what the founders subscribe for in case of an increase in the capital prior to the expiry of the prohibition period.

Article 13: Capital Increase:

The Extraordinary General Assembly may decide to increase the capital of the company - after the approval of the competent authorities - provided that the capital has been fully paid. The shareholder - at the time of the General Assembly's Resolution approving the capital increase - has the priority in subscribing for new shares issued in exchange for cash equities, and they shall be informed of their priority - if any - by publishing in a daily newspaper or by being informed by registered mail of the Resolution to increase the capital and the conditions and term of subscription, and start and end date. The Extraordinary General Assembly may suspend the priority right for shareholders in subscription by increasing capital in exchange for cash equities, or to give priority to non-shareholders in the cases it deems appropriate for the interest of the company. The shareholder is entitled to sell or waive the priority right during the period from the General Assembly's Resolution's date approving the capital increase till the last day of subscription for the new shares associated with these rights, according to the controls set by the competent authority.

Article 14: Capital Decrease:

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The Extraordinary General Assembly may decide to reduce the capital if it exceeds the company's need or if it incurs losses - after the approval of the competent authorities - provided that the paid-up capital of the Insurer after reducing the capital shall not be less than (SAR 100,000,000) one hundred million Saudi Riyals, and the paid-up capital of the re-insurer or the insurer that carries out the reinsurance business at the same time shall not be less than (SAR 200,000,000) two hundred million Saudi Riyals. The capital decrease resolution shall not be issued except after reviewing a special report prepared by the auditor on the necessary reasons, the obligations of the company, and the impact of the decrease on these obligations. If the capital decrease is due to an increase in the company's need, creditors shall be called upon to express their objections within (60) sixty days from the date on which the reduction decision is published in a daily newspaper distributed in the area where the companies headquarter is. If one of the creditors objects and submits his documents to the company on the aforementioned date,

The company shall pay him/her the debt if it is due or provide him/her with a sufficient guarantee to be met if is deferred.

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Chapter IV

Board of Directors (BOD):

Article 15: The Company Management:

The management of the company shall be by a BOD composed of (9) nine members elected by the Ordinary General Assembly for a period not exceeding 3 years - and the BOD formation shall reflect adequate representation from the independent members. Under no circumstances, the number of the independent Board members shall not be less than 2 members or 1/3 of the Board members whichever is more. As an exception, the Constituent Assembly shall appoint the members of the first BOD for a period not exceeding (3) three years starting from the date of publishing the Ministry of Commerce and Investment's decision to incorporate the company.

Article 16: Termination of Board Membership:

Board Membership shall be terminated by the end of the term of appointment, resignation, or death, or if it is proven to the BOD that the member has violated his duties in a way that harms the interest of the company, provided that this is accompanied by the approval of the Ordinary General Assembly, or with the expiration of his membership tenure in accordance with any law or instructions in force in KSA, or if a judgment declaring his bankruptcy or insolvency has been issued, or he/she has submitted a settlement request with his/her creditors, or stopped paying his/her debts or became unconscious, with a mental illness, or if it is proven that he/she has committed an act that violates misconduct, or was convicted of forgery. Nevertheless, the Ordinary General Assembly may at all times dismiss all or some of the Board members without prejudice to the dismissed member's right to the company to demand compensation if the dismissal occurred for an unacceptable reason or at an inappropriate time.

Article 17: Vacant Seat in the Board:

In case that the position of a member of the Board of Directors becomes vacant; the Board may appoint - temporarily - a member to the vacant position with sufficient experience and after obtaining the non-objection certificate of SAMA and without considering the arrangement in obtaining votes in the General Assembly through which the Board was elected, and it shall inform the Capital Market Authority of this within (5) five working days from the date of appointment. The appointment shall be presented to the Ordinary General Assembly at its first meeting, and the new member completes the tenure of his predecessor only. By a decision of the competent authority, the Ordinary General Assembly may be invited to convene in case that the Board members are insufficient to meet the quorum specified, and SAMA shall be notified upon the resignation of any Board member or termination of his membership

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for any reason other than the end of the board session within (5) five working days from the date of leaving work and taking into account the relevant disclosure requirements.

Article 18: Powers of Board:

Subject to (ToR) set for the General Assembly; The BOD shall have the broadest powers in managing the company in a way that achieves its objectives, and within the limits of its ToR, it may delegate one or more of its members or third party to carry out a specific business- in a manner that does not conflict with the relevant laws and regulations.

Article 19: Remunerations of BOD Members:

The minimum annual remuneration for the chairman and members of the Board shall be (SAR 200,000) two hundred thousand Saudi Riyals and the maximum shall be (SAR 500,000) five hundred thousand Saudi Riyals annually for their membership in the Board and their participation in its work, including additional remuneration in case that the member participates in any committee of the Board. In case that the company makes profits, a percentage equivalent to (10%) of the remaining net profit may be distributed after deducting the reserves decided by the General Assembly in implementation of the provisions of the Cooperative Insurance Companies Control Law and after distributing a profit to the shareholders of not less than (5%) of the company's paid-up capital, provided that the entitlement to such remuneration shall be proportional to the number of meetings attended by the member, and any assessment to the contrary shall be invalid. In all cases, the total remuneration and financial or in-kind benefits and remuneration that a member of the BOD receives shall not exceed (SAR 500,000) five hundred thousand Saudi Riyals annually. The maximum allowance for attending the sessions of the Board and its committees shall be (SAR 5000) five thousand Saudi Riyals for each session, excluding travel and accommodation expenses. Each member of the Board, including the Chairman of the Board shall be paid the actual expenses that they bear in order to attend Board meetings or sub-committees of the Board, including travel, accommodation and ration expenses.

The BOD report to the Ordinary General Assembly shall include a comprehensive statement of all remunerations, expenses allowances and other benefits that the board members received during the financial year. It shall also include a statement of what the Board members have paid as workers or executive members, or what they have received in return for technical or administrative works or consultations. It shall also include a statement of the number of Board meetings and the number of meetings attended by each member from the date of the last meeting of the General Assembly.

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

The Board shall appoint a chairman and a deputy chairman from among its members A CEO may be appointed, and a managing director may be appointed. The Chairman post shall not be combined with any executive position of the company. The Board Chairman shall be entitled to sign on behalf of the company and implement the decisions of the Board. The Board Chairman shall be competent to represent the company before the Courts, Arbitration Tribunals and Third Parties. The Board Chairman may, by a written decision, delegate some of his powers to other members of the Board or Third Parties to perform specific functions. The Board shall determine the salaries, allowances and remunerations for each of the Chairman and the Managing Director in accordance with the provisions of Article (19) of this Law. The Board shall appoint a Secretary. The Board may also appoint one or more advisors in the various affairs of the company, and it shall determine their remuneration. The tenure of the Chairman, his deputy, CEO, and the secretary shall not exceed the tenure of each of them in the Board. They may be re-elected and the Board may dismiss all or any of them at any time without prejudice to the right of the dismissed person 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 company’s headquarters in KSA by an invitation of its Chairman. The Board Chairman shall call the meeting whenever two of the members request so, and the invitation shall be documented in the way the Board deems appropriate. Board meetings shall be held periodically whenever needed, provided that the number of annual Board meetings shall not be less than (4) meetings, so that there shall be at least one meeting every quarter.

Article 22: Board Meeting Quorum:

Board meeting shall not be valid unless it is attended by at least 2/3 of the members in-person or by proxy, provided that the number of the members attending in-person shall not be less than 4 members among whom is an independent member. The member may delegate another member to attend and to vote in the Board’s meetings. Board decisions shall be issued by the majority of opinions of the attending members or their representatives. When the opinions reach deadlock, the side with which the meeting Chairman vote shall prevail. The Board may issue decisions on urgent matters by presenting them to the members separated, unless one of the members requests - in writing - the board meeting to be discussed in it, in such case these decisions shall be presented to the Board at the first next meeting.

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Article 23: Board Deliberations:

The Board's deliberations and decisions shall be confirmed in minutes signed by the meeting chairman, the board attendees, and the secretary. These minutes shall be recorded in a special register signed by the Chairman and Secretary.

Article 24: Agreements and Contracts:

The company is entitled - after obtaining the approval of SAMA - to enter into an agreement to manage technical services with one or more companies qualified in the field of insurance. Board members may enter into insurance contracts with the company in which they have an interest, provided that the Chairman of the Board provides the General Assembly with the details of those insurance contracts. The Board member shall inform the board of his/her direct or indirect interest in the business and contracts that are made for the company's account, and this notification shall be recorded in the minutes of meeting. This member shall not participate in voting on the decision issued in this regard in the Board and General Assemblies. The Board Chairman shall inform the Ordinary General Assembly when it is convened about the business and contracts in which one of the Board members has a direct or indirect interest.

The notification is accompanied by a special report from the company's external auditor. If a member of the board fails to disclose his/her interest, the company or any interested party may claim before the competent judicial authority to cancel the contract or oblige the member to pay any profit or benefit achieved for him/her from that.

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Chapter V

Shareholders' Assemblies:

Article 25: Attending Assemblies:

A properly formed General Assembly shall represent all shareholders and convenes in the venue of headquarter of the company; and every shareholder, regardless of the number of his/her shares, is entitled to attend the General Assemblies of the shareholders, and it is entitled to delegate another person other than the members of the BOD or the employees of the company to attend the General Assemblies. General Assemblies of the shareholders may be held and the shareholder may participate in their deliberations and voting on its decisions by means of modern technology according to controls set by the competent authority.

Article 26: The Constituent Assembly:

The founders shall call all subscribers to hold a constituent assembly within (45) forty-five days from the closing date of the shares subscription; every subscriber - regardless of the number of shareholdings- is entitled to attend the Constituent Assembly. For the validity of the meeting quorum, a number of subscribers representing at least (half) of the capital, shall attend. If this quorum is not available, An invitation was directed to a second meeting to be held after (15) fifteen days at least from the invitation. Furthermore, The second meeting shall be held one hour after the end of the specified period for the first meeting, and the invitation to hold the first meeting shall include the announcement of the possibility of convening this meeting. In all cases, the second meeting shall be valid regardless of the number of subscribers represented.

Article 27: Terms of Reference of Constituent Assembly:

The Constituent Assembly undertakes the following:

1-Check the subscription to all company's share, the fulfillment of minimum capital and the due amount from shares value

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2- Adopt the final texts of company's Articles of Association provided that the substantial changes are not made to the article of association presented to it except with the consent of all subscribers represented therein.

3- Appoint members of the first Board of directors of the company for period not exceeding (3) three years, If they were not appointed in the company's Articles of Incorporation or Articles of Association.

4- Appoint company's auditors and determine their fees if they were not appointed in the company's Articles of Association.

5-Discuss and adopt founders' reports on the works and expenses required by the establishment of company.

Article 28: Terms of Reference of Ordinary General Assembly:

Except for the matters that belong to the jurisdiction of the Ordinary General Assembly, the ordinary general assembly shall have jurisdiction over all matters related to the company and it shall convene at least once during the year within the months following the end of the company's financial year. Other Ordinary General Assemblies may be called whenever needed. One of the functions of Ordinary General Assembly is to form the audit committee and determine its fees.

Article 29: Terms of Reference of the Extraordinary General Assembly:

The Extraordinary General Assembly shall have jurisdiction over amendment of company's Articles of Association except for the provisions prohibited to be amended. It may issue decision on the matters within the jurisdiction of Ordinary General Assembly, with the same conditions and terms established for the Ordinary General Assembly.

Article 30: Invitation for meetings:

The General or Special Shareholders Meetings shall be convened upon the invitation of the Board, and the Board shall call the Ordinary General Assembly to meet upon the request of the Auditor, Audit Committee, or a number of shareholders who represent at least 5% of the capital. The Auditor may call the Assembly to convene if the Board does not call it within 30 days from the date of Auditor's request. This invitation shall be published in a newspaper that is distributed in the region in which the company's head office is located at least ten days prior meeting date. A copy of invitation and agenda shall be sent to CMA. However, this may be sufficient However, the invitation may be sent to all shareholders on the said date by registered letters. A copy of invitation and agenda shall be sent to CMA within the specified period for publication.

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Article 31: Assembly Attendance Register:

The shareholders who wish to attend the general or special meeting, shall record their name in the company headquarter prior to the date of Assembly’s meeting.

Article 32: Quorum of Ordinary General Assembly Meeting:

The Ordinary General Assembly shall not be valid unless it is attended by shareholders representing at least one quarter of the company’s capital. If this quorum is not provided in the first meeting, the General Assembly will be called to a second meeting within the 30 days subsequent to the first meeting. This initiation shall be published in accordance with article (30) of the articles of association, however the second meeting may be held one hour after the end of the period specified for the first meeting, provided that the invitation to hold the first meeting shall include evidence of the possibility of holding this meeting, and in all cases the second meeting shall be valid regardless of the number of shares represented in it. The meetings of the Ordinary General Assembly may be held, the shareholder may participate in its deliberations and vote on its decisions by the means of modern technology, in accordance with the controls set by the competent authority.

Article 33: Quorum of Extraordinary General Assembly Meeting:

The Extraordinary General Assembly meeting shall not be valid unless attended by shareholders representing at least half of the capital of company. If the quorum is not met at the first meeting. The General Assembly shall call for a second meeting with the same terms and 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 invitation to hold the first meeting shall include evidence of the possibility of holding this meeting, and in all cases the second meeting shall be valid if it is attended by a number of shareholders represent at least quarter of capital. If the quorum is not met at the second meeting. The General Assembly shall call for a third meeting with the same terms and conditions stipulated in Article (30) of this Articles of Association. The third meeting shall be valid regardless of the number of shares represented in, after the approval of the competent authority. The meetings of the Extraordinary General Assembly may be held, the shareholder may participate in its deliberations and vote on its decisions by the means of modern technology, in accordance with the controls set by the competent authority.

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Article 34: Voting in Assemblies

The votes in ordinary and extraordinary general assemblies shall be calculated on the basis of a vote per share. The accumulative voting shall be used in the Board election, so that the right to vote per share may not be used more than once. Members of the Board of Directors may not vote on the assembly's decisions concerning their discharge for their administration tenure. Or that related to their direct or indirect interest.

Article 35: Resolutions of Assemblies:

The Resolutions of the Constituent Assembly shall be issued by an absolute majority of the shares represented therein, and the resolutions of the Ordinary General Assembly shall be issued by a majority of shares represented at the meeting. Nevertheless, if these Resolutions relate to the evaluation of special benefits, the majority of subscribers shall agree who represent (two-thirds) of the aforementioned shares after excluding the private benefits subscribed by the beneficiaries.

The resolutions of the Extraordinary General Assembly shall be issued by a majority of two-thirds of the shares represented at the meeting unless the decision relates to an increase or decrease of the capital, extension of company term, dissolution of the company before its term, or merge it into other company or facility, the resolution shall be issued by three quarters of the shares represented in the meeting.

Article 36: Discussion in Assemblies:

Shareholders may discuss topics included in the agenda of the Assembly and direct questions to Board members and the auditor. Any provisions deprive the shareholder of his right to discuss and question shall be deemed null and void. The Board of Directors or auditor shall answer shareholder questions to the extent that it does not prejudice the company's interest. If the shareholder finds that the answer is insufficient, he may appeal to the General Assembly and its decision shall be enforceable

Article 37: Chairing assemblies and preparation of minutes:

The general assembly shall be chaired by the chairman or his deputy in his absence, or whoever is delegated by the board of directors from among its members in the absence of the chairman and his deputy. A minute shall be drafted at the General Assembly meeting including number of present shareholders or representatives and number of shares in their possession in person or by proxy, number

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of votes scheduled, resolutions adopted and number of votes approved or disagreed, and brief of discussion took place in the meeting. Minutes shall be recorded regularly after each meeting in the special record signed by chairman, secretary and vote collector.

Chapter VI

Committees of Board of Directors

Article 38: Board Committees:

The committees of board of directors shall be formed in accordance with relevant laws and regulations.

Chapter VII

Auditor:

Article 39: Appointment of Auditor:

The General Assembly shall appoint auditors from among certified auditors in KSA and determine their remuneration and work duration. In addition, it may re-appoint the same and, at any time, change them without prejudice to their right for compensation if the change occurred at improper time or for an unacceptable reason.

Article 40: Powers of Auditor:

The auditor has, all the time, the right to access the company's books, records and other documents. He also may request data and explanations that he sees necessary, and he also may ascertain the company's assets and liabilities. other matters within the scope of his work. The chairman of Board of Directors shall enable him to perform his duty. If the auditor encountered a difficulty in this regard, he shall record that in a report submitted to the Board of Directors. If the Board does not facilitate the work of auditor, the latter shall call the Ordinary General Assembly to consider the matter.

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Article 41: Auditor's Obligations:

The auditor shall submit a report prepared in accordance with the generally accepted auditing standards to the annual Ordinary General Assembly, including the attitude of company management regarding enabling him to obtain the data and explanations that he requested, and the violations of the provisions of Cooperative Insurance Companies Control Law and its implementing regulations, and other relevant laws, regulations and instructions as well as his opinion on the fairness of company's financial statement. The auditor shall read his report to the General Assembly If the Assembly decided to ratify the report of the Board of Directors without hearing the auditor's report, its decision shall be deemed null and void

Chapter VIII

Company Accounts and Profits Distribution:

Article 42: Financial Year:

The company's financial year begins on the first of (January) and ends at the end of (December) of the same year, provided that the first financial year begins from the date of the ministerial decision announcing the establishment of the company and ends as at (31) December of the following year

Article 43: Financial Documents:

1-The board of directors shall at end of each fiscal year prepare financial statements (the financial statements consist of: Statement of financial position of insurance operations and shareholders, statement of surplus (deficit) of insurance operations, statement of shareholders' income; statement of shareholders' equity, the statement of cash flows for insurance operations and the statement of cash flows for the shareholders). A report on the activities of the company, its financial position of ended financial year and the way that it proposes for the distribution of the profits. The Board shall make these documents available to the auditor, at least forty-five days before the specified date of the General Assembly.

2- The Board Chairman, CEO and CFO shall sign the referred documents in paragraph 1 and the copies thereof shall be deposited in the headquarter of company at the disposal of the shareholders ten (10) days at least before the date of the General Assembly meeting.

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3- Chairman shall provide shareholders with company's financial statements, BOD report, and auditor's report, unless it is published on daily newspaper distributed in the area where company's headquarter is located, provided that a copy of these documents shall be sent to CMA at least (15) fifteen days prior the date of General Assembly meeting.

Article 44: Insurance operations accounts:

The accounts of insurance operation shall be separated from the statement of shareholder's income as follows:

I Insurance operations accounts:

- 1- An account for paid installments, reinsurance commissions and other commissions shall be created.
- 2- An account for incurred compensations from company shall be created.
- 3- At the end of each year, the total surplus, which represents the discrepancies between the total installments and compensations less marketing, administrative, operational expenses and required technical provisions shall be determined as instructed.
- 4- The determination of the net surplus is as follows:

It is added to the total surplus referred in paragraph (3) above or deduct the investment revenue of insured after calculating their returns and deducting the expenses they owe.

5-The net surplus is distributed either by distributing 10 percent directly to the insured or by reducing their installments for the following year; 90% shall be transferred to shareholders' income accounts.

II: Statement of Shareholder's Income:

- 1- Shareholders 'profits are made from the return on investment of shareholders' funds in accordance with the rules established by the Board of Directors.
- 2- The shareholder's share of the net surplus shall be as set out in paragraph 5 of clause I of this Article.

Article 45: Zakat and Reserve:

The company shall:

- 1-Set aside the Zakat and income tax

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2- set aside (20%) of net profits to create statutory reserve, Ordinary General Assembly may cease such deduction if the statutory reserve reached 100% of the paid up capital.

3-The Ordinary General Assembly, when determining the share of shares in the net profits, may decide to create other reserves, to the extent that it serves the interest of the company or guarantees the distribution of fixed profits as possible to the shareholders.

Article 46: Profit Entitlement:

The shareholder shall be entitled to receive his share of profits in accordance with the General Assembly resolution in this regard. The resolution shall include due date and distribution date. The shareholders registered in the shareholders' records shall receive profits at the end of the day specified for maturity. The company shall inform the CMA without delay of any dividend's distribution decisions or the recommendation accordingly, and it shall pay the dividends to be distributed on shareholders in the place and dates that identified by the Board and in accordance with the competent body instructions, subject to the previous written consent of SAMA.

Article 47: Companies Losses:

If the company's losses amount to (half) of paid-up capital at any time during the financial year; any official in the company or the auditor shall immediately inform the chairman of the board of directors, and the chairman of the board of directors shall inform the members of the board of within (15) fifteen days of his knowledge. The Board of Directors shall invite the Extraordinary General Assembly to meet within (45) forty-five days from the date of his knowledge of the losses in order to decide either to increase or decrease the company's capital - in accordance with the provisions of the Companies Law - to the extent that decreases ratio of losses to less than (half) of paid-up capital; or dissolving the company before the term specified in its Articles of Association. The Assembly resolutions at all times shall be published on the website of Ministry of Commerce and Investment. The company shall be deemed dissolved by force of law if the extraordinary general assembly does not meet within the period specified above; or if it meets and is unable to make a decision on the matter; or if it decided to increase the capital in accordance with the conditions stipulated in this article, and the entire capital increase has not been subscribed within (90) ninety days of the Assembly's Resolution to increase it.

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Chapter IX

Disputes:

Article 48: Company's Responsibility:

The company shall be abided by all acts and actions of the Board of Directors, even if they are outside its jurisdiction, unless the stakeholder is in bad faith or knows that such acts are outside the Board's jurisdiction.

Article 49: Board Members Responsibility:

The members of the Board of Directors are jointly liable for the compensation of the company or shareholders or others for the damage arising from their mismanagement of the affairs of the company or violation of cooperative Insurance Companies Control Law and its Implementing regulations and other relevant regulations and instructions issued by SAMA or any other related party. Each provision provides otherwise is considered null. The responsibility shall be of all the members of the

Board of Directors if the error arose by a decision issued by their consensus. As for the decisions made by the majority of opinions, the objectors to that decision are not liable as long as they record explicitly their objection in the meeting minute. Absence from attending the meeting in which the decision is issued shall not be considered a reason for exemption from liability unless the member has proven his lack of knowledge of the decision or not being able to object after being notified. The Ordinary General Assembly's approval to discharge the members of the Board of Directors shall not preclude bringing a claim of liability. The claim of liability shall not be heard after three years from the date of discovering the tort. With the exception of the cases of fraud and forgery, claim of liability shall not be heard in all cases after the lapse of (5) five years from the end of the financial year in which the tort occurred, or (3) three years from the expiration of the membership of the concerned Board member, whichever is later. Each company's shareholder has the right to file claim of liability against Board members, due to the misstatements that cause damages to them. The shareholder may not file the said lawsuit unless the company right to file it still exists. The shareholder shall notify company of his intention to file lawsuit, and his right shall be limited to claim compensation for the damage affected.

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Chapter X:

Liquidation of Company:

Article 50: Dissolution of Company:

The company, as soon as it dissolved, enters the phase of liquidation and retains the legal personality to the extent necessary for the liquidation and the voluntary liquidation decision shall be issued from CMA and it shall include appointment of liquidator, determination of his powers, fees-imposed restrictions on his power and period of liquidation. The voluntary liquidation period shall not exceed (5) five years.

. It may only be extended further by the court order, the power of company's board of directors ends with its dissolution. Nevertheless, they remain in charge of managing company and are deemed to others as liquidators until the liquidator is appointed, and the competencies of company's bodies shall remain during the liquidation period that do not conflict with the competencies of the liquidator. The rights of the participants in the surplus of insurance operations and the formed reserves as stipulated in Articles (44) and (45) of this Articles of Association shall be taken into account in the liquidation.

Chapter XI:

Final Provisions

Article 51: Company's Articles of Association

The provisions of cooperative Insurance Companies Control Law, its Implementing Regulations, Companies Law, other relevant regulations and instructions shall be applied on all matters not provided in the Articles of Association.

Article 52:

Publication: This Articles of Association shall be drafted and published in accordance with Companies Law and its Regulations.

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