

**The Articles of Association  
of  
The Navakij Insurance Public Company Limited**

(Regarding Shareholders' meeting only)

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**The procedure of elect directors and the directors who vacate the office at the end of the term**

Clause 15: There shall be a Board of Directors of the company with not less than 9 directors. Not less than half of the total number of directors shall have residence in the Kingdom.

Clause 16: The shareholders' meeting shall elect directors in accordance with the following rules and procedures:

- (1) each shareholder shall have one vote per one share held by him ;
- (2) each shareholder shall employ all the votes he has under (1) in the election of one or more directors but cooperative voting is not allowed;
- (3) the person who receives the highest number of votes shall be elected as directors. The number of the elected should be equal to the number of directors to be elected. In case the number of persons who receives the same highest number of votes exceeds the number of directors to be elected, the chairman of the meeting shall decide by a casting vote.

Clause 17: At every annual general meeting, one-third of the directors shall vacate their office. If unable to divide the number of directors into three equal parts, the number nearest to one-third shall vacate the office.

The directors who shall vacate the offices in the first and the second year after the registration of the company shall be selected by drawing lots. After that, the directors who have been in office the longest shall vacate the office.

The directors who vacate the office at the end of the term may be re-elected.

Clause 18: Apart from vacating office at the end of the term, the director shall vacate office upon;

- (1) death ;
- (2) resignation ;
- (3) being disqualified or under prohibition in accordance with the law ;
- (4) being removed from office by the resolution of the shareholders' meeting ;
- (5) being removed from office by the order of the court

Clause 19: Any directors who wish to resign from his office shall submit a letter of resignation to the company. The resignation shall be effective from the day the letter of resignation reaches the company.

The director who resigns from his office under paragraph one may notify the registrar of his resignation.

Clause 20: In the case where the office of director becomes vacant from any causes other than the end of term, the Board of Directors shall select any legally qualified person to be a director in the next meeting of the Board of Directors, except the remaining term of office of the director is less than 2 months. This director shall remain in office only for the remaining term of office the director he replaces.

The resolution of the Board of Directors under paragraph one shall receive not less three-fourth of votes of the remaining directors.

Clause 21: The shareholders' meeting may pass a resolution removing any directors from office before the end of term with not less than three-fourth of votes of the shareholders who attended the meeting and are entitled to vote. The amount of shares altogether should not be less than one-half of the amounts held by shareholders who attended the meeting and are entitled to vote.

### **Directors Remuneration**

Clause 31: The Board of Directors of the company shall meet at least once every three months.

The company shall pay the directors remuneration of the duties' performance as necessary and appropriate such as salaries, the meeting's allowances, allowances, bonuses.

### **Shareholders' Meeting**

Clause 33: The Board of Directors shall call a shareholders' meeting as an annual general meeting within 4 months from the end of the accounting year of the company.

Any other shareholders' meeting apart from the annual general meeting shall be called extraordinary meeting. The Board of Directors may call the extraordinary meeting of shareholders at any time it deems appropriate. The shareholders holding not less than one-fifth of the total number of shares issued or not less than 25 shareholders holding not less than one-tenth of the total number of shares issued may submit a written request together for the Board of Directors to call the extraordinary meeting of shareholders. However, the reason for requesting extraordinary meeting shall be clearly specified.

Clause 34: In calling a shareholders' meeting, the Board of Directors shall give notice of the meeting in writing, specifying the place, date, time, agenda of the meeting, and matters to be submitted to the meeting together with appropriate details. It must also state precisely that the matters were submitted for acknowledgement, for approval or for consideration together with the relevant comments of the Board of Directors. The notice shall be sent to shareholders not less than 7 days before the day fixed of the meeting and shall be published in the newspaper for 3 consecutive days and not less than 3 days before the day of the meeting.

The place of the meeting needs not be in the area where the head office of the company is situated. The meeting may be held at any place that the Board of Directors may deem appropriate.

Clause 35: At the shareholders' meeting, there shall be not less than 25 shareholders and proxies (if any) or not less than one-half of the total number of shareholders, and the shares have to be not less than one-third of the total number of shares issued to constitute a quorum.

At any shareholders' meeting, in case the number of shareholders attending the meeting is not sufficient to constitute a quorum after one hour has passed from the time fixed for the meeting, if the meeting is called at the request of the shareholders, the meeting shall be suspended; if the meeting is not called at the request of the shareholders, a new meeting shall be called, and a written notice of the meeting shall be sent to shareholders not less than 7 days before the day of the meeting. It is not necessary that this new meeting be quorate.

Clause 36: The chairman of the Board of Directors shall preside over the shareholders' meeting. In the case the chairman is not at the meeting or is unable to perform his duty, if there is a vice-chairman, the vice-chairman shall preside over the meeting, if there is no vice-chairman or there is but he is unable to perform his duty, shareholders attending the meeting shall elect one shareholder to preside over the meeting.

Each shareholder shall have the number of votes equal to the number of shares he owns; one share shall have one vote.

The voting shall be open unless not less than 5 shareholders demand otherwise and the meeting resolves that a poll be taken. The procedure of the poll shall be executed as determined by the chairman of the meeting.

Clause 37: The resolutions of the meeting shall be passed by the following votes:

- (1) In normal case, the majority of votes of the shareholders attending the meeting and having the right to vote; in the case of equal amount of votes, the chairman of the meeting shall have an additional vote as a casting vote;
- (2) In the following cases, three-fourth of the total number of votes of the shareholders attending the meeting and having the right to vote:
  - a. The sale or the transfer of the whole or important part of the business of the company to other persons ;
  - b. The purchase or the acceptance of the transfer of other public or private companies' business;
  - c. The making, the changes, or the termination of the contract concerning the lease of the whole or important part of the company's business, the grant of authority to other persons to manage the company's business, or the amalgamation of the business of the Company with that of other persons with the purpose of sharing profits and losses from the business;
  - d. The amendment of the Company's memorandum and articles of association;
  - e. The increase or the reduction of capital, the issue of debentures, the amalgamation or the dissolution of the Company.

Clause 38: The business to be transacted at the annual general meeting is as follows:

- (1) To consider the Board of Directors' report on the business activities of the company in the previous year submitted to the meeting for consideration;
- (2) To consider and approve the balance sheet;
- (3) To consider and appropriate the profits;
- (4) To elect directors to replace the directors who vacate their office at the end of their terms;
- (5) To appoint an auditor and determine the remuneration of the auditor;
- (6) Other business.

### **Dividend**

Clause 39: Dividends shall be paid out of profits only. In case the Company still has cumulative losses, no dividends shall be paid.

The dividends shall be paid in accordance with the number of shares; each share shall equate the amount of dividends.

The Board of Directors may, from time to time, pay the shareholders interim dividends if it deems justified and that there is enough profits of the company. This should also be reported to the next shareholders' meeting for acknowledgement.

The payment of dividends shall be made within 1 month from the date of the resolution of the shareholders' meeting or of the Board of Directors, depending on the case. The resolution shall be notified to the shareholders in writing and the notice of the payment of dividends shall be published in the newspaper.

Clause 40: The Company shall appropriate part of the annual net profit as a reserved fund of not less than 5 per cent of the company's net profits, minus the cumulative losses of the company (if any) until the reserved fund amounts to not less than 10 per cent of the registered capital of the company.

### **Accountancy, Finance, and Audit**

Clause 43: The Board of Directors shall have the balance-sheet and the profits and losses account made at the end of the company's accounting year, to submit to the annual general meeting of shareholders for approval. The Board of Directors shall have the balance-sheet and the profits and losses account of the company audited by the auditor before submitting them to the shareholders' meeting.

Clause 44: The Board of Directors shall send the following documents to the shareholders with a written notice calling the annual general meeting:

- (1) Copies of the audited balance-sheet and profits and losses account with the auditor's report on the audit ;
- (2) The annual report of the Board of Directors.

Clause 45: The auditor shall not be directors, staff members, employees or any office-holders of the company.