

The Articles of Association
of
The Navakij Insurance Public Company Limited

(Regarding to Shareholders' meeting only)

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 having not less than 9 directors. Not less than half of the total number of directors shall have a residence in the Kingdom.

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

- (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 ;
- (3) the number of persons equal to the number of directors to be elected who receives the highest number of votes shall become directors, in the case the number of persons which receives the highest number of votes is in excess of the number of directors to be elected because of equality of votes, 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 the number of directors make it impossible to divide them into three equal parts, the number of directors 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 by drawing lots. After that the directors who have been in office 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 director wishing 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 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 at the next meeting of the Board of Directors except the remaining term of office of the director is less than 2 months. Such 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 director from office before the end of term with not less than three-fourth of the shareholders attending the meeting and having the right to vote and holding not less than one-half of the total number of shares held by the shareholders attending the meeting and having the right 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 remunerations in connection with the performance of duties as necessary and appropriate such as salaries, the meeting's expenses, 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 already sold or not less than 25 shareholders holding not less than one-tenth of the total number of shares already sold may request in writing that the Board of Directors calls the extraordinary meeting of shareholders, but 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, the date, the time, the agenda of the meeting, and the matters to be submitted to the meeting together with the 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 the shareholders not less than 7 days before the day fixed for the meeting and shall be published in the newspaper for 3 consecutive days not less than 3 days before the day fixed for the meeting.

The place of the meeting needs not be in the locality 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 holding not less than one-third of the total number of shares sold to constitute a quorum.

At any shareholders' meeting, if the number of shareholders attending the meeting is not sufficient to constitute a quorum after one hour after the time fixed for the meeting has passed, 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 the shareholders not less than 7 days before the day fixed for the meeting. At this new meeting, the quorum shall not apply.

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, the shareholders attending the meeting shall elect a 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 and the meeting resolves that poll be taken, the procedure for the poll shall be prescribed 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 equality 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 companies' or private companies' business;
 - c. the making, the changes, or the termination of the contract concerning the letting of the whole or important part of the company's business, the granting 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 are as follow:

- (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 the directors to replace the directors who vacate their office at the end of the term;
- (5) to appoint the auditor and the remuneration of the auditor;
- (6) other business.

Dividend

Clause 39. Dividends shall be paid out of profits only, In the 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 be entitled to equal amount of dividends.

The Board of Directors may from time to time pay to the shareholders such interim dividends considered by the Board of Directors to be justified by the profits of the company, and reports to the next shareholders' meeting for acknowledgement.

The payment of dividends shall be made within 1 month from date of the resolution of the shareholders' meeting or of the Board of Directors, as the case may be. 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 to a reserve fund not less than 5 per cent of the net profits of the company less the cumulative losses of the company (if any), until the reserve fund amounts to not less than 10 per cent of the registered capital of the company.

Account, Finance, and Audit

Clause 43. The Board of Directors shall cause the balance-sheet and the profits and losses account to be made at the end of the accounting year of the company, for submission to the annual general meeting of shareholders for approval. The Board of Directors shall cause the balance-sheet and the profits and losses account of the company to be 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 the written notice calling the annual general meeting :

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

Clause 45. The auditor shall not be director, officer, employee or any office-holder of the company.
