

Amendments of Alliance Articles of Association to align with Federal Decree-law 32/2021


- renumbering all articles from article 38-71


Article No	After	Source
<u>Preamble:</u>	Considering the fact that the Federal Decree-Law No. 32 of 2021 issued on 20/9/2021, which entered into force on January 02, 2022, provided for the annulment of the Federal Law No. 2 of 2015 on commercial companies and its amended laws, and Federal Decree Law no 24 of 2020 concerning amending some provisions of federal law no 6 of 2007 regarding the establishment of the Insurance Authority and the organization of its operations, and Federal Decree Law no 25 of 2020 concerning amending some provisions of Federal Decree Law no. 14 of 2018 regarding the Central Bank and the regulations of the financial facilities and activities, the General Assembly of the company was held on/...../..... and decided by a special decision to approve the amendment of the provisions of the company's Articles of Association to comply with the provisions of Federal Decree Law No. 32 of 2021 on commercial companies as follows :	As per the federal decree law 32/2021
Article (1) Definitions	Insurance Law: Federal Law No. 6 of 2007, on regulating Insurance operation and its amendments.	Article No 364
	Companies Law: Federal Decree Law No. (32) of 2021 on Commercial Companies and any amendments thereto	The amendment as the federal decree law 24 of 2020
	CBUAE: Central Bank Of United Arab Emirates	



<p>Article (5) Objectives</p>	<p>The company shall exercise its activity under provisions of Federal Law No. (6) of 2007 on regulating Insurance operation, together with the regulations, instructions and resolutions issued hereunder and executing the same. The objectives of the company shall be consistent with provisions of laws and applicable resolutions in the country.</p> <p>3. The company may own shares or participate in whatever manner in authorities or companies engaged in businesses similar to those of the company or which may held the company to achieve its purposes inside or outside of the country. The company may purchase those authorities or company or attach them as subsidiaries. The company may have interest or participate and cooperate in whatever manner with other companies, institutions and authorities inside or outside of the company, so long as they exercise businesses similar to those of the company. The company may not engage in any activity for which a condition is developed to get a license from the regulatory authority supervising activity inside or outside of the country unless after getting license from such authority and providing copy of such license to the authority, competent body and Central Bank.</p>	<p>The amendment as the federal decree law 24 of 2020</p>
<p>Article (14) Increase or decrease of capital</p>	<p>a. After obtaining approval of Central Bank, The Authority and the competent authority, the capital of the company may be issued through issuance of new shares in the same nominal value of original shares or by addition of issuance premium to the nominal value. Moreover, the issued capital may be reduced also.</p>	<p>The amendment as the federal decree law 24 of 2020</p>
<p>Article (16) Issuance of debenture loans</p>	<p>Under a special resolution from its general assembly after getting approval of the authority, the company may decide to issue debenture loans of any type. Such resolution shall specify value of debentures, conditions of issuance and the extent of their transferability into shares. Moreover, under authorization from the board of directors, the company may decide identification of appointments for issuance of debentures; provided that this shall not exceed a year as of date of approval of authorization. This is in accordance with the decision issued by the Authority, in which the controls and procedures for debentures and any other debt instruments are determined.</p>	<p>Article 232</p>
<p>Article (17) Negotiable Debentures</p>	<p>a. The company may issue negotiable debentures after the authority approval, whether they are transferable or non-transferable into shares in equal values per each issue.</p>	<p>Article 231/1</p>



<p>Article (18) Debentures transferable into shares</p>	<p>Debentures may not be transferred into shares unless this is stipulated by prospectus of issuance or its terms. If transfer is decided, owner of debenture shall have the sole right to accept transfer or receive nominal value of debenture If it decided to transfer debentures that are not obliged to transfer into shares, the owner of the debenture has the right to accept the transfer or receive the nominal value of the debenture of bond.</p>	<p>Article 231/3</p>
<p>Article (21) Cases of appointment of members of the board of directors by general assembly</p>	<p>According to federal decree law, the general assembly may appoint expert members in the board of directors of the company. Those members shall be of non-shareholding members, provided that this shall not exceed third of the number of members specified in the articles of association, in any of the following cases:</p>	<p>The amendment as federal decree law 32 of 2021</p>
<p>Article 22 Requirements of nomination to membership of the board</p>	<p>4- Acknowledgment with non-violation of article 149 of Federal Decree-law.</p>	<p>Amendment to federal decree law</p>
<p>Article (33) Related parties' dealing in securities of the company</p>	<p>Related parties may not exploit any information coming to their knowledge as a result of their membership in the board of directors or their jobs in the company, in achievement of any interest for themselves or for third parties, whatever may be the result of dealing in securities of the company or any other dealings. Moreover, no related parties may have any direct or indirect interest with anybody making businesses with intent of affecting prices of securities issued by the company with his knowledge.</p>	<p>Article 152/1</p>
<p>Article (36) Responsibility of board members for liabilities of the company</p>	<p>a. Members of the board of directors are not personally responsible for liabilities of the company resulting from fulfilling their duties as members of the board of directors; to extent that they don't exceed limits of their powers. b. The company shall be held responsible for businesses of the board of directors, within limits of its terms of reference in addition to compensation of any damage resulting from illegal acts of chairman and members of the board of directors. c. The company shall be bound by the actions of a member of the board of directors in relation to bona fide third parties, even if it turns out later that the procedures for electing or appointing a member are incorrect or that the conditions prescribed for such election or appointment are not met.</p>	<p>Additional point as per article 163</p> 

<p>Article (37)</p> <p>Liabilities of board members towards the company, shareholders and third parties</p>	<p>Liability of the board of directors and the executive management</p> <p>a. Members of the board of directors and executive management are held responsible towards the company, shareholders and third parties for fraud, misuse of power, violation of Commercial Companies Act or of this Articles of Association or mismanagement. Any condition to the contrary shall be null and void. The executive management is represented by the general manager, the executive director or the CEO and their deputies, besides all those at the level of senior executive functions, and the executive management officials who have been personally appointed to their positions by the Board of Directors.</p> <p>b. Liability stipulated by clause (A) of this article is held by all members of the board of directors if the error results from a resolution issued unanimously. However, if the resolution subject of accountability is issued by majority of votes, those who objected to the resolution shall not be held accountable for its consequences if they confirmed their objection in the minutes of meeting. Liability of any absent member may not be negated unless it is confirmed that he was not aware of the resolution taken in the session not attended by him or that he was aware of the resolution but wasn't able to object thereto. The responsibility cited in clause (1) of this Article shall be borne by the executive management if the error arises from a resolution passed by them.</p> <p>c. Without prejudice to any penalty stipulated in this Law or any other law, any chairman or a member of the board of directors of the company or its executive management shall be deemed dismissed from their position by force of law if a final judgement is issued proving that they have committed any act of fraud, misuse of power or have affected transactions or deals involving conflict of interest and in violation of the provisions of this Law or its executive resolutions. Such a person shall not be accepted for nomination to the membership of a board of directors of any joint stock company in the State, nor undertake any duties in the executive management in the company before the passage of at least three years from the date of his dismissal. The provisions of Article (145) of this Law on occupying the new membership position in the company's board of directors shall apply. If all members of the company's board of directors are dismissed, the Authority must convene the general assembly in order to elect a new board of directors.</p>	<p>Article 162</p>
<p>Article 38</p> <p>NEW Article</p>	<p>Invalidity of the Decision</p> <p>1. Without prejudice to the rights of bona fide third parties, any decision issued in violation of the provisions of the law or the company's Memorandum or its Articles of Association, whether for the benefit of a certain group of shareholders or to harm them in order to get special benefit to the related parties or others without regard to the interest of the company, shall be deemed null and void.</p> <p>2. The "Invalidity" order implies that the Decision shall be deemed null and void for all shareholders.</p> <p>3. The Board of Directors shall publish the Invalidity order in two local daily newspapers, one of which is issued in the Arabic language.</p> <p>4. The Invalidity Lawsuit may not be heard after the lapse of sixty days from the date of issuance of the Contested Decision. Furthermore, the filing of the Lawsuit shall not entail the suspension of the execution of the decision unless otherwise ordered by the competent Court.</p>	<p>Article 172</p> 

<p>Article 38 Rewards of chairman and members of the board of directors</p>	<p>Reward of chairman and members of the board of directors shall be a percentage of the net profits not exceeding 10% of those profits for the fiscal year ended after deducting both depreciation, reserves and fines resulting from violations unless it is proved to the General Assembly that the fine is not due to a default of fault of the board of directors. the company may pay additional expenses, fees, compensation or monthly salary as decided by the board of directors, for any of its members, if such member works in any committee or exerts special efforts or additional works as a service to the company beyond scope of its normal duties as a member of the board of directors after the approval of the general assembly no more AED 200,000 per fiscal year in the following cases: 1. Company does not make a profit. 2. or if the company has made profits and the share of the Board member in the profits is less than AED 200,000, provided that the bonus and remuneration shall not be combined.</p>	<p>Renumbering article 38 to be 39 Amendments as per Article No 171</p>
<p>Article (39) Dismissal of chairman and members of the board of directors To be 40</p>	<p>The general assembly shall be entitled to dismiss all or some of elected members of the board of directors and allow nomination according to conditions issued by authority in this regard. The general assembly may elect new members in replacement to the dismissed members, without prejudice to provisions of articles (143 and 144) of federal decree law Act and shall notify authority, competent authority and Central Bank. Dismissed member may not be re-nominated for membership of the board of directors unless after three years of the date of its dismissal.</p>	<p>Renumbering article 39 to be 40 Amendments as per article 170</p>
<p>Article (42) Call for meeting of the general assembly</p>	<p>Announcement for calling the general assembly meeting a. The board of directors must call the general assembly within the four months following end of the fiscal year and as it deems necessary. b. The authority or the auditor or any one or more shareholder (s) owning at least (10%) of the capital may based on important matters request the Board of Directors to call for General Assembly and the board of directors must send the invitation for the meeting within five days from the date of application. The General Assembly must meet in no later than thirty days from the date of invitation. c. The application as set out in Clause 1 of this Article shall be kept at the head office of the company and state the purpose of the meeting and the issues to be discussed. The applicant for the meeting shall provide a certificate from the financial market where the shares of the company are listed, confirming the prohibition of disposition of the shares held by the applicant on his demand until holding the meeting of the General Assembly. d. If the invitation to the General Assembly meeting is announced in a period of less than the period mentioned in article 174 of the Decree law prior to the meeting date, then such invitation shall be deemed valid provided it is approved by the shareholders who represent 95 % of the company's capital. e. If the board of directors accidentally fails to issue an invitation to the General Assembly, which is required by law, the auditor shall assume the responsibility of issuing such invitation and shall do so whenever necessary, and accordingly, he shall develop the meeting Agenda and publish it.</p>	<p>Renumbering the article 42 to be 43 and change the title from Call for meeting of the general assembly meeting to Call of the general Assembly Meeting and adding point d & e as per article 175 & 173/3</p>



<p>Article (43) Terms of reference of annual general assembly</p>	<p>a. Board's report on activity of the company and its financial position within the year together with auditors' report and approval thereof. b. Balance sheet and profits and loss account of the company. c. Election of members of the board of directors, when necessary. d. Appointment of auditors and determination of their remuneration. e. Proposals of the board of directors as for distribution of profits, whether they are cash distributions or granted shares. f. Proposal of the board of directors as for reward of members of the board of directors. g. Discharge or non-discharge of members of the board of directors or dismissal of those members or initiation of liability case against them; as necessary. h. Discharge or non-discharge of auditors or dismissal of those auditors or initiation of liability case against them; as necessary.</p>	<p>Renumbering article 43 to be 44 Amendments as per 179</p>
<p>Article (44) Recording attendance of shareholders in meeting of the general assembly</p>	<p>c. A printed extract of shareholders' register shall be obtained as for number of shares represented in the meeting and percentage of attendance. Such extract shall be signed by rapporteur of the meeting, chairman of the meeting, auditor of the company and votes collector. Copy of such extract shall be delivered to the supervisor representing the Central Bank and to representative of insurance authority. Another copy shall be attached to minutes of the meeting of general assembly.</p>	<p>Renumbering article 44 to be 45 - amendment as per federal decree law 24 of 2020</p>
<p>Article (46) Legal quorum of the meeting of the general assembly and voting for its resolutions</p>	<p>b. Except for resolutions to be issued under specific resolution according to provisions of this articles, resolutions of general assembly shall be issued by majority of votes of shares represented in the meeting. Resolutions of the general assembly shall be binding upon all shareholders attending or not attending the meeting and whether they approve such resolutions or object thereto. Copy of those resolutions shall be sent to the authority, the financial market in which shares of the company are incorporated, the central bank and the competent authority, according to conditions issued by the authority in this regard.</p>	<p>Renumbering the article 46 to be 47. amendment as per federal law 24 of 2020</p>



<p>Article (47) Chairing the general assembly and writing down of meeting proceedings</p>	<p>a. The general assembly shall be presided by the chairman of the board of directors. If absent, the representative of chairman shall preside the meeting. If both are absent, any member of the board of directors so selected, shall chair the general assembly. If the board of directors fails to select a member to chair it, it shall be chaired by any person selected by the general assembly. The general assembly shall appoint a rapporteur for the meeting. If the general assembly discusses a matter related to the chairman of the meeting, it must select one of to preside the meeting during such discussion. The chairman shall appoint votes' collector which appointment shall be approved by the general assembly.</p>	<p>Renumber article 47 to be 48 Amended as the article 184 of the federal decree law 32/2021</p>
<p>Article (50) Issuance of special resolution</p>	<p>In all cases and according to provisions of article 139 of Commercial Companies Act, the board of directors of the company shall obtain prior approval from the authority, the competent authority and central bank on issuance of special resolution which leads to amendment of memorandum and articles of association before presenting the resolution to the general assembly.</p>	<p>Renumbering the article 50 to be 51. amendment as per federal law 24 of 2020</p>
<p>Article (54) Auditor's authorities</p>	<p>a. Auditor shall have the right at all times to access all books, records, documents and any other papers of the company and may ask for any clarifications he deems necessary to perform its task. The auditor may verify of assets and liabilities of the company. If not able to exercise those authorities, the auditor shall confirm this in writing in a report to be submitted to the board of directors. If the board fails to enable the auditor to perform its task, the auditor must send copy of the report to the authority, central bank and to the competent authority and shall present it to the general assembly.</p> <p>b. Auditor shall audit accounts of the company, examine balance sheet, profits and loss account and review deals of the company with related parties. He shall also follow up provision of Companies Act and of this articles and provide a report of the result of such examination to the general assembly with a copy of this report to be sent to the authority, central bank and competent authority. When preparing the report, the auditor must verify of the following: Extent of validity of accounting registers kept by the company. Extent of consistency of company accounts with accounting records.</p> <p>c. If no facilities are provided to the auditor to execute its tasks, he must confirm this in a report to be submitted to the board of directors. If the board of directors failed to facilitate tasks of the auditor, the latter shall send copy of the report to the authority and central bank.</p> <p>d. The subsidiary and its auditor shall provide information and clarifications requested by auditor of the holding company for auditing purposes.</p>	<p>Renumbering article 54 to be 55 The amendment as the federal decree law 24 of 2020</p>



<p>Article (67) Liquidation</p>	<p>Upon expiry of the period of the company or dissolution before the date of expiry, the general assembly shall, upon request of the board of directors, identify the method of liquidation and appoint one or more liquidators with identification of their power. Power of the board of directors shall expire with dissolution of the company. Nevertheless, the board of directors shall continue in management of the company and shall be deemed, as for third parties as liquidator until the liquidator is appointed. Power of the general assembly shall continue throughout the period of liquidation until completion of all works of liquidation. Without prejudice to provisions of liquidation stipulated by the law establishing insurance authority and the applicable companies' law, regulations and resolutions issued by the central bank regarding the liquidation of the company.</p>	<p>Renumbering article 67 to be 68 Changes as per the federal decree law no 24 for 2020</p>
<p>Article (68) Voluntary contributions</p>	<p>Social responsibility 1-the company, after the approval of the authority, may decide by a special decision to allocate a percentage of its annual profits or accumulated profits to social responsibility. 2-the company is committed to disclose on its website after the end of the financial year whether it has fulfilled its social responsibility or not. 3-the auditor's report and the annual financial statements of the company must include the entity or entities benefiting from this social contribution.</p>	<p>renumber article 68 to be 69 restate the title to Social responsibility amend the contents of the article as per article 244</p>
<p>Article ((70) Facilitation of periodical inspection works of authority inspectors</p>	<p>The board of directors, the chief executive officer, the directors and auditors of the company shall facilitate periodical inspection works done by the authority or central bank by assigned inspectors and shall provide any data or information requested by those inspectors and allow them access to business, books of the company or any papers or registers at affiliates or subsidiaries of the company inside and outside of the country or at auditor of the company.</p>	<p>Renumbering article 70 to be 71 The amendment as per federal decree law 24 of 2020</p>
<p>Article (71) In case of any contradiction</p>	<p>- Provisions of the Federal Decree law and its amendments and provisions of any regulations, instructions and resolutions issued under the said law shall be applicable for matters not covered by the memorandum and article of association. - Provisions of Federal Decree-law may only be applicable to extent not contradicting with provisions of regulating of insurance operation or with its regulations, instructions and resolutions.</p>	<p>Renumbering article 71 to be 72. Amendment as per the federal decree law 32/2021 & federal decree law 24 of 2020</p>

