

In the name of God



**Iranian Reinsurance Company
(Public Joint-Stock)**

Articles of Association

Adopted by the General Meeting of the Founders

On January 4, 2010

Translated by: Mohammad Naghavi, PhD

Aligned with comments made by: S. Mohammad Asoudeh

**Section 1: Incorporation of the Company, Its Name, Objects,
Duration, Nationality and Headquarters**

Article ۱. Name and type of Company

The name of the company is Iranian Reinsurance Company (a Public Joint Stock Entity) and is hereinafter named “**The Company**” in this constitution with Iranian nationality which shall be non-alterable.

Article ۲. Objects of the company

The objects for which the company has been established are as follows:

۱. to assume all kinds of reinsurance and retrocession business in all classes of insurance in the domestic market and from foreign markets within the framework of the appropriate regulations and jurisdiction as duly licensed and authorized by the Central Insurance of I. R. Iran;
۲. to establish, enter into partnership with, and/or manage domestic or foreign reinsurance funds;
۳. to obtain any supporting reinsurance coverage in connection with the reinsurance commitments so undertaken;
۴. to invest capital, reserves, technical provisions , legal reserves and other financial resources of the company as may be expedient within the context of the rules and regulations approved by the High Council of Insurance;
۵. to provide all services which are deemed ancillary or supplementary in the area of reinsurance activities;
۶. to perform all acts and other transactions which may be conducive to the attainment of the foregoing objectives.

Article ۳. Duration of Company

The duration of the company’s existence shall be perpetual as of the date of its incorporation.

Article ۴. Company’s Nationality and Headquarters

The company enjoys the Iranian nationality with its headquarters (its registered office) in the City of Tehran, Province of Tehran/Iran. The relocation of the company’s head office to

any other place or city inside the country shall be subject to the agreement of the Central Insurance of I. R. Iran and approval of the company extraordinary general meeting. Notwithstanding, the relocation of the company in the same city shall be determined and approved by the board of directors and by notifying the Central Insurance of I.R. Iran. The board of directors shall have the power to establish or dissolve branches or agencies both inside the country by notifying the Central Insurance of I.R. Iran and abroad with the prior consent of this organization at any time deemed proper.

Section 2: Capital and Shares

Article ۵. Capital Sum and Number of Shares

The capital of the company is the amount of IRR ۲, ۰۱۰, ۸۵۰, ۰۰۰, ۰۰۰ which has been divided into ۲, ۰۱۰, ۸۵۰, ۰۰۰ ordinary registered shares with a par value of each IRR ۱۰۰۰, fully paid.

Note: The maximum proportion of shares for each of the natural and legal persons to the total capital at any time may not exceed the limit prescribed by the Central Insurance of I.R. Iran.

Article ۶. Share Certificate

All shares of the company are registered and shall be issued in uniform sizes and printed forms with serial numbers and then shall be signed by two directors or officers of the company. A share certificate must bear the company's seal containing the following items of information:

- name of the company and its registration No. with the Companies Registry Office(Companies Registrar) and the Securities and Exchange Organization (SEO);
- share certificate No. evidencing its registration with the Securities and Exchange Organization (SEO);
- the amount of issued capital and the amounts paid up thus far;
- Class of the shares;
- The par value of the share and amount paid up in numbers and letters;
- the number of shares that the certificate represents;
- name and national card No. of the holder of shares.

Note: As long as the share certificates have not yet been issued, the company shall have to issue scrip certificates to the shareholders indicating the number and class of the shares as well as the respective amounts paid up on the shares. The scrip certificate shall be deemed to

bear the force of a share certificate. Notwithstanding, the share certificate must be issued within the period of one year upon payment of full par value of the share and to be delivered to its holder upon return and cancellation of the scrip certificates.

Article ٧. Transfer of shares

All transfers of shares shall be effected in the company's share register. The transferor or his attorney or his legal agent shall have to sign and approve the registration of such transfers in the shares register. The transferee's full identity and his address shall accordingly be recorded in the shares register in respect of fulfillment of his obligations arising from shares transfer and then signed by the transferor or his attorney or his agent. Possession or acquisition of any portion of the company's shares shall require compliance with the provisions of the existing constitution and consent to the resolutions made by the shareholders' general meeting.

Note: Any transfer of shares shall have to be duly notified to the Central Insurance of I.R. Iran. The board of directors shall have to comply with the thresholds (limits) specified in the by-law No. ٤٠ as approved by the High Council of Insurance and in the subsequent addenda thereof.

Article ٨. Indivisibility of shares

The shares of the company are indivisible. The joint shareholders shall nominate a person as their representative with the company to be entered with such designation.

Section 3: Capital alterations

Article ٩: Rules governing alterations of Capital

Changes in the authorized capital of the company shall be made pursuant to the prevailing rules and regulations including the provisions of the Commercial Code, Securities Market Act, the regulations for entry and public offering of securities approved by the High Council of the Securities and Exchange Organization and upon obtaining the written consent of the Central Insurance of I. R. Iran.

Article ١٠: Approval of Capital Alterations

Any change in the issued share capital of the company, whether decrease or increase, shall be solely within the competence of the extraordinary general meeting. Invitation for convention of such meeting to consider the capital alternation shall be made upon the notification of the Securities and Exchange Organization confirming the compliance with the rules and regulations in force.

Note: The extraordinary general meeting may empower the board of directors to increase the capital of the company up to a certain amount in a way approved at this meeting within an established period of time not exceeding two years upon receipt of an authorization from the Securities and Exchange Organization (SEO).

Article ۱۱. Procedures for Capital Increase

The share capital of the company shall be raised by the creation (issuance) of new shares with the approval of the extraordinary general meeting and in compliance with the appropriate rules and regulations. The par value of new shares shall be paid through one of the following arrangements:

- cash payment of the par value of the shares;
- The conversion of the matured claims of the creditors of the company into new shares.
- transfer of the undistributed profit or reserves or share premiums received on the issuance of new shares to the capital ;
- conversion of participation certificates (bonds) of the company into shares.

Note: Transfer of legal reserve to the capital sum shall be prohibited,

Article ۱۲. Paying the amount of new shares out of claims

When the extraordinary general meeting makes a decision to increase the issued share capital of the company out of the cash amounts due to the shareholders, payment of par value of new shares by the shareholders shall be dependent on the consent given by each of the shareholders.

Note: The shareholders' cash claims derived from profit (dividends) shall be deemed to have matured out of such profit upon approval or implementation of capital increase and shall be paid if shareholders so request.

Article ۱۳. Preferred (preemption) rights to purchase new shares

Where a resolution is made on the capital increase, the shareholders shall enjoy the preferred rights for purchase of new shares in proportion to the number of the shares they hold. Such preferred rights (rights of preemption) shall be transferable. The time-limit for exercise of the preferred rights shall be specified upon the proposal made by the board of directors. The specified time-limit shall start on the date fixed for subscription and shall remain effective not less than ٦٠ days.

Article ١٤. Declaration of capital increase and transmission of preferred rights certificates

The certificate of preferred rights shall, prior to the start of subscription, be transmitted to the shareholders by registered mail to their latest address declared to the company or to the Central Depository Company. The subscription notice for new shares shall be notified to the shareholders by publishing this notice in a mass-circulation newspaper selected by the company or via its official website as well.

Article ١٥. Surplus value of shares

Upon the report given and the proposal made by the board of directors, the extraordinary general meeting may authorize the sale of new shares for an amount surplus to the par value of the share for the purpose of capital rise provided that the arrangement for utilization of the surplus amounts earned from the sold shares is determined at the same meeting.

Article ١٦. Capital Decrease

In addition to the mandatory capital reduction due to the loss of a portion of the company's capital, the extraordinary general meeting shall accordingly have the power to decide on the voluntary capital reduction upon the proposal made by the board of directors without any prejudice to the equality of the shareholders' rights thereupon. The voluntary capital reduction shall be implemented by lowering the **par** value of shares on an equal basis and paying the reduced amount of each share to the respective shareholder.

Note: It shall be mandatory to comply with paragraph ٣ of the Act for Establishment of Non-Governmental Insurance Institutions passed in ٢٠٠١.

Article ١٧. Issue of participation certificates/bonds (Musharakah Sukuk Bonds)

The company shall be authorized to issue the participation certificates (bonds) with the approval of the ordinary general meeting of the shareholders. Invitation for convention of the ordinary general meeting to consider the matter of participation bonds issue shall be made upon the notification of the Securities and Exchange Organization confirming adherence to the regulations for the entry and public offering of securities. The ordinary general meeting may empower the board of directors to issue the participation certificates (bonds) up to a

certain amount in a manner approved by the general meeting within an established period of time not exceeding two years upon receipt of an authorization from the Securities and Exchange Organization (SEO) and accordingly after receipt of the written consent of the Central Insurance of I. R. Iran.

Note: The issuance of participation certificates/bonds being convertible into or exchangeable for shares shall take place with the approval of the extraordinary general meeting.

Section 4: General Meetings

Article 11. Powers and duties of general meetings

The powers and duties of ordinary general meetings and extraordinary general meetings shall be the same powers and duties as provided in the Commercial Code for the ordinary general meetings and extraordinary general meetings for the public joint-stock companies. The company shall hold its general meetings in accordance with the requirements of the Commercial Code as follows:

1. The ordinary general meeting or annual general meeting: This meeting shall be convened once in each year no later than four months from the end of the fiscal year so as to deal with the following Issues:
 - to hear the report of directors on the performance of the previous fiscal year;
 - to hear the inspector's or the auditors ' report;
 - to consider and approve the financial statements of the preceding fiscal year;
 - to approve the amount of the profit (dividends) to be distributed;
 - to approve the amount of remuneration and attendance bonus for board members;
 - to appoint the main inspector(s) and alternate inspector(s) of the company by fixing their remuneration or fees;
 - to select (a) mass-circulation newspaper(s) to publish the notices and announcements of the company;
 - to appoint directors/executives;
 - to issue the securities being non-convertible into or non-exchangeable for shares;
 - other subjects which shall fall within the jurisdiction of the ordinary general meeting under the provisions of the Commercial Code.

۲. The extraordinary general meeting may convene at any time to deal with the following items:
- to amend, modify or change the provisions of the articles of association;
 - to decide on the change in the capital sum(increase or decrease);
 - to issue the securities being convertible into or exchangeable for shares;
 - to suspend and/or cease the operations of the company;
 - to wind up (dissolve) the company prematurely under the provisions of the Commercial Code.

Note ۱: No power should be delegated to the directors of the company to authorize them to decide on the amount of the remuneration and attendance bonus of the board members or to fix the amount of fees for the inspector/inspectors.

Note ۲: Decision making with respect to any of the items mentioned in paragraph ۲ shall be subject to the written consent of the Central Insurance of I. R. Iran.

Article ۱۹. Requirements for attending the general meetings and voting procedure

The shareholders shall, whether in person or by proxy or by the legal deputy of natural persons and the representative(s) of legal entities, be entitled to attend the general meeting, regardless of their number of shares provided that they present the instruments supporting the position of a proxy, deputy or representative. Each shareholder shall be entitled to only one vote for each share.

Note: In case of the shares transfer, the new shareholders shall be entitled to attend the general meeting upon production of the original share certificate or scrip certificate of share transfer.

Article ۲۰. Notice of general meetings

The notice inviting the shareholders to attend the general meetings shall be published in a mass-circulation newspaper in which the company's notices and announcements are ordinarily published and posted on the company's official website as well. The invitation notice shall contain the agenda, the date, the hour and the place of convening the general meeting.

Article ۲۱. Agenda

The inviting party shall specify the agenda for each general meeting. All items on the agenda must be clearly stated in the invitation notice and the key issues such as appointment of the board members, appointment of the inspector, distribution of dividends and reserves and change in the nature of activity shall not be considered in the section titled "**other provisions**". Except for the items already put on the agenda, other issues shall not be addressed at the general meeting unless all the shareholders are present and vote to include these matters on the agenda.

Article ۲۲. Presiding board of the general meeting.

The general meeting shall be run by a presiding body composed of a chairman, a **secretary** and two supervisors. The meeting shall be chaired by the chairman or vice-chairman of the board of directors and, in their absence, by one of the directors who has been chosen by the board of directors for this purpose. In the circumstances where the agenda includes the appointment or removal of some directors or all of them, the chairman of the meeting shall be selected by a relative majority from among the shareholders present at the meeting. Accordingly, the general meeting shall choose two shareholders present there to act as supervisors and one individual from among the shareholders or non-shareholders to act as secretary of the meeting.

Article ۲۳. Voting Procedure

Voting at the general meeting shall take place verbally; for instance, on a show of hands or standing up as an indication of “**a yes vote or consent**”. Where, at the discretion of the legal inspector, the verbal voting is not possible on the grounds of the composition of shareholders present at the meeting, votes shall be given in writing.

Note: Voting for the appointment of board members and the inspector shall as a requirement, take place in writing.

Article ۲۴. The quorum required for convention of ordinary general meeting

At the ordinary general meeting, presence of the holders of more than ۵۰% of the voting shares is required to meet the quorum. If such quorum is not attained at the first invitation, a second invitation shall be made and then the general meeting shall convene with the presence of any number of voting shareholders for decision-making provided that the outcome of the first invitation is reflected in the second invitation notice.

Article ۲۵. Majority votes required at the ordinary general meetings

At the ordinary general meeting, the resolutions passed shall be valid when they obtain a majority plus one vote (half plus one) of the shareholders present at the meeting with the exception of the cases relating to the appointment of directors and inspectors whereby a relative majority shall be sufficient. As regards the appointment of directors, the number of **votes of each** individual shall be multiplied by the number of directors to be appointed and then the voting right of each **voter** shall equal to this multiplication product. On a poll, a voter shall be entitled to give votes to one person or divide them between several persons of his own accord.

Article ۲۶. The quorum required for convention of extraordinary general meeting and voting

At the extraordinary general meeting, the holders of more than ۶۰٪ of the voting shares are required to attend the meeting. If such quorum is not present at the first invitation, a second invitation shall be made and then the extraordinary general meeting shall convene with the presence of shareholders representing over one-third of the voting rights provided that the outcome of the first invitation has been reflected in the second invitation notice. The resolutions passed at the extraordinary general meeting shall be valid when they obtain a two-thirds majority vote given by the voters present at the meeting.

Section 5: The board of directors
Article ۲۷. Number of the board of directors

The business of the company shall be managed by a board of directors composed of five principal members who are elected by the ordinary general meeting from among the shareholders and all such members may be reappointed to or removed from their post.

Note ۱: In addition to the appointment of the principal board members, the ordinary general meeting shall have the power to elect two substitute (alternate) board members in the order of priority.

Note ۲: At least one member of the board of directors or his representative must be non-executive with records of finance education, (in accounting, economics, financial management, and other management fields majoring in finance or economics), and related experiences.

Note ۳: The managing director, the deputy managing director and the principal and alternate members of the board of directors shall hold the qualifications set out in articles ۱۱ and ۱۴ of the by-law No. ۴۰ adopted by the High Council of Insurance and in the subsequent amendments thereto.

Note ۴: The persons stated in article ۱۱۱ of the Commercial Code and in article ۶۴ of the Act for Establishment of the Central Insurance of Iran and Insurance Operations shall not constitute as the founders and directors of the company.

Note ۵: The board of directors, having at least two of its members serving on a full-time basis (as executive members) in the company, will be appointed from among the professionally competent persons. Such persons should at least have five years of effective

managerial experiences in the fields of insurance, reinsurance, finance, economics, law, and/or banking and at least two-fifths of them should have managerial service records in the field of reinsurances for a minimum period of five years.

Article ۲۸. Vacancy in the board members

If for any reason whatsoever, the number of the board members is fewer than the prescribed limit and alternate members have not been appointed or are non-existent, the board of directors shall have to call for the ordinary general meeting to convene no later than one month so as to decide on filling the vacancy in the board of directors.

Note ۱: In case the legal entities that are members of the board, do not introduce their natural representative within a maximum period of ۱۰ days after their appointment by the general meeting or this post remains vacant for any reason whatsoever, it shall be deemed that the legal entity has resigned from membership in the board of directors.

Note ۲: The legal entities may be appointed or elected to sit on the board of directors. In such a case, the given legal entity shall have to introduce a permanent representative to the company in writing so as to perform the assigned managerial duties. The representative so introduced by the legal entity should have the qualifications set forth in notes ۳ and ۴ of article ۲۷ herein.

Article ۲۹. Resignation of board members

If any of the board members decides to resign from his post (office), he shall have to inform the board, the inspector and the Central Insurance of I. R. Iran, of his decision in at least a ۳۰ days' notice in advance.

Article ۳۰. Non-attendance in the board meetings

The absence or non-attendance of any of the board members or his representative for more than four consecutive sessions or six intermittent sessions without any reasonable excuse during the course of a full calendar year shall automatically lead to his membership termination in the board. The board of directors shall exercise its discretion to judge the justifiability of absence.

Article ۳۱. Office-term of directors

The office-term of directors shall run for two years. Their term shall automatically continue until the formalities relating to the registration and appointment notice of the next directors have been fulfilled. Reappointment of the board members or alternate members for subsequent term shall meet no impediment.

Article ۳۲. Qualification (qualifying) shares

Any of the board members shall have to own at least ۳۰۰ thousand shares in the company during his entire office-term and shall deposit them with the company's fund as a security to guarantee the compensation for the loss that the company may sustain due to the negligence of its directors severally or jointly. Such shares are registered and non-transferable and as long as a director has not received his settlement receipt (release certificate) for his office-term in the company, the given shares shall remain as security in the company's fund. The shares deposited as security shall not prevent the shareholders from voting at the general meeting and payment of the dividends thereon to them.

Article ۳۳. Chairperson, vice-chairperson and secretary of the board of directors

No later than a week, the board of directors shall hold its first meeting after the ordinary general meeting or the ordinary general meeting held extraordinarily has elected the board so as to appoint from among themselves the chairperson and the vice-chairperson who should be natural persons to serve on the board. The office-term of the chairperson and the vice-chairperson shall not exceed the term of their membership in the board of directors. The chairperson and the vice-chairperson may be removed from or appointed to their post. In the absence of the chairperson and the vice-chairperson, the board members shall appoint one person from among the members present at the meeting to perform the chairperson's duties. Accordingly, the board of directors shall choose one person from among its members or from outside to act as secretary of the board for one year.

Article ۳۴. Board meetings

The board of directors shall establish the procedures for holding their meetings. The board of directors shall hold meetings at the times deemed proper when the intervals do not exceed one month at the written invitation of the chairperson or vice-chairperson and/or two board members and, where necessary, at the managing director's invitation as well. There shall be a reasonable interval between the date of sending invitations and the time of holding the board meeting. If, at any of the board meetings, the date of the next meeting is fixed and recorded in the minutes, it shall not be required to send invitations to the directors who have attended the same meeting. The board meetings shall be held at the company's headquarters or at any other location which has been specified in the letter of invitation.

Article ۳۵. The quorum and majority required for board meetings

The board meetings are formally held when more than half of the board members are present at the meeting. The resolutions passed by the board members shall be valid when they obtain majority consent of the members present at the meeting.

Article ۳۶. Minutes of the board meetings

It is required to draw up minutes for each board meeting and be signed by all the directors present at the meeting. The minutes should contain the names of those present at or absent from the meeting, a summary of proceedings and the resolutions passed at the meeting along with the dates. Additionally, the opinions of the directors who oppose all or a part of the decisions taken at the meeting should be recorded in the minutes.

Article ۳۷. Powers of the board of directors

The board of directors shall have unlimited powers for any action or measure taken in the name of the company and for any activity and transaction relating to the objects of the company about which the decision-making does not fall within the competence and powers of the general meetings. Thus, the board is, inter alia, authorized to:

- act as the company's representative before the shareholders, all government and non-government organizations, public institutions, law courts (judicial authorities) and other natural persons and legal entities;
- approve in-company(internal) by-laws as proposed by the managing director;
- to carry out any type of reinsurance business whether inward or outward, within the context of the relevant laws and regulations and perform further professional or expert tasks relating to the objects of the company such as marketing, organizing and participating in domestic and international conferences;
- make resolutions with respect to the establishment and dissolution of agencies or branches at any location inside Iran by informing the Central Insurance of I. R. Iran and abroad by obtaining the written consent of this organization;
- approve the organizational structure, employment conditions and the scale of salaries and wages;
- forecast and approve the annual budget of the company;
- open any type of account with banks and other duly authorized institutions and use it/them in the name of the company;
- collect debts due to the company and pay debts due from the company;
- issue, endorse, accept, pay and protest commercial papers;
- conclude any type of contract, change, modify, terminate and/or rescind it as regards the movable and immovable properties which are related to the objects of the company and conduct all business and transactions stated in article ۳ of the present constitution as well as decision-making on all unilateral contracts (obligations);
- take any decision with respect to the issues related to the registration and transaction of all intellectual rights including any type of patent, brand name or trade mark and industrial name, copyright, goodwill and all presumptive privileges;

- deposit any type of instrument, document, deed, company's cash or securities as well as their return, collection or recovery;
- receive loans and facilities from banks and duly authorized institutions pursuant to the existing constitution;
- mortgage the company's assets, whether movable or immovable, and release (redeem) them from encumbrance even on frequent occasions upon obtaining the written consent of the Central Insurance of I. R. Iran;
- institute any type of civil action or criminal case and defend any pending claim, whether civil or criminal, brought with any of the courts, public prosecutors' offices, special or public judicial or non-judicial authorities, and the Administrative Justice Tribunal on behalf of the company; defend the company against any litigation (action) brought up versus the company, whether criminal or civil, with special or public judicial or non-judicial authorities and the Administrative Justice Tribunal; appear in person at police departments and exercise all powers required in the course of proceedings from opening to closing stages including appearance at hearing sessions, raising objection to the court's decree, lodging an appeal for revision (with the court of appeal), filing a second appeal with the Supreme Court, making a protest and request for rehearing; request for compromise and settlement of the case, return of documents or statement of claim and/or waiver of the claim; bring a claim of forgery or repudiation and dispute (express doubt about) the authenticity of the counterparty's evidence and records and request for return of such evidence and records and designation of the forger; sign the contracts containing the arbitration clause or arbitral agreement and refer the case to arbitration by appointing an arbitrator (with or without the right to make settlement); seek enforcement of the arbitrator's final and absolute award; request for issuance of an enforcement writ along with follow-up actions; receive the judgment debt and the cash so deposited with follow-up measures; appoint the assessor and appraiser; appoint and remove an attorney and representative with frequent rights of substitution; make confession on the nature of claim; initiate an implead and defend the impleader; bring counter-claim and defend against the counterparties; initiate entry of a third party and defend against a third party intervention; accept or reject administration of oath; seek interim measures of protection for the remedy sought; recover the loss arising from offences and other issues of similar nature;
- prepare the annual financial statements and the report on the performance of the board of directors to be presented them to the inspector and the auditor;
- prepare the periodic/interim financial statements for quarterly and semiannual periods to be presented to the inspector and the auditor in the format specified by the Central Insurance of I. R. Iran and communicated by the Securities and Exchange Organization (SEO). A copy of the balance sheet and the audited financial statements shall be sent to the Central Insurance of I. R. Iran;

- invite the ordinary and extraordinary general meetings and set the agendas thereof;
- propose any type of reserve/provision in addition to the statutory reserve as well as technical reserves subject to the regulations prescribed by the Central Insurance of I. R. Iran;
- propose amendments/modifications of the articles of association to the extraordinary general meeting upon receipt of the written consent of the Central Insurance of I. R. Iran.

Article ۳۸. Remuneration/bonus for the board members

Each year a certain proportion of the net profit may be paid as bonus or remuneration to the board of directors as approved by the ordinary general meeting in compliance with the law amending parts of the Commercial Code. On no account should such proportion exceed ۵% (five percent) of the profit which is distributed (paid) to the shareholders in the same year.

Article ۳۹. Director's transactions with the company

The board members and the managing director of the company as well as the entities and the firms in which the board members or the managing director of the company are either partners or are serving as board members or the managing director shall not be allowed to be directly or indirectly trading partners of the transactions executed with the company or to the account of the company or share in such transactions without the previous sanction of the board of directors. The requirements for conduct of such transactions have been set forth in the Commercial Code.

Article ۴۰. Ban on directors' loans/credits

The managing director and the board members are not permitted to obtain any loan or credit whatsoever from the company and the company may not accordingly furnish any guarantee or undertaking for their debts or liabilities. Such measures shall automatically be rendered void. The prohibition declared in this article shall also apply to the persons who attend the board meetings on behalf of the legal person who is a member of the board. By extension, the prohibition shall also apply to the spouses, parents, grandparents, children, grand-children, sisters and brothers (siblings) of the persons named in **this** article.

Article ۴۱. Directors' competition with the company

The directors and the managing director shall not be allowed to carry on any business being similar to those transacted by the company which shall be regarded as competition with the company operations. Every director who acts in violation of this article and cause the company to sustain any loss or damage on the ground of this violation shall have the liability to indemnify the company. For the purposes of this article loss means actual loss or loss of prospective profit.

Article ۴۲. Managing director

The board of directors shall have to appoint a natural person as managing director from among its own members or from outside the board subject to the requirements provided in articles ۱۱ and ۱۴ of the By-law ۴۰ as approved by the High Council of Insurance and in the subsequent amendments thereto and further establish the scope of his powers, office term, salary and other employment conditions. Accordingly, the board of directors may delegate to the managing director parts of the powers set forth in article ۳۷ herein. The managing director shall, within the powers conferred upon him, be authorized to act as representative of the company and shall hold the right of signature for and on behalf of the company. If the managing director is an incumbent board member, his office-term as managing director shall not exceed the duration of his membership in the board of directors. Further, the managing director shall not be permitted to hold the position of the board chairman at the same time.

Note: The managing director's name, particulars and scope of powers shall be reported to the Central Insurance of I. R. Iran and the Companies Registry Office by attaching a copy of the minutes of the board meeting so as to be published in the State Gazette (Official Newspaper) upon registration.

Article ۴۳. Vacancy in the post of the managing director

If, on the grounds of resignation, dismissal, death or any other reason, the post of the managing director remains vacant, the board of directors shall have to appoint another person to this post no later than one month subject to the provisions of the articles of association. Where the appointment process of the managing director lasts more than a week, the board of directors shall, until when a managing director is chosen under this article, appoint a person entrusted with all duties and responsibilities of the managing director to act as its representative while specifying the scope of his powers.

Note: Until when a managing director who should receive the approval of the Central Insurance of I. R. Iran is appointed to this office, the board chairman or the deputy managing director shall have to perform all the responsibilities and duties assigned to the managing director.

Article ۴۴. Holders of authorized signatures

All papers, contracts, agreements and negotiable instruments of the company shall be signed by the person who has been authorized to do so by the board of directors. The names of such authorized persons shall be notified to the Companies Registry Office in a copy of the minutes so as to be published in the State Gazette (Official Newspaper).

Section 6: Inspector

Article ٤٥. Appointment of Inspector

The ordinary general meeting shall have to choose a principal inspector and an alternate inspector each year from among the trusted auditing firms of the Securities and Exchange Organization (SEO) to perform the duties and responsibilities prescribed in the relevant laws and regulations as well as in the company articles of association.

Article ٤٦. Inspector's functions

In addition to the responsibilities as duly assigned, the inspector shall also have to perform other duties and responsibilities as follows:

١. to express an opinion on the company's annual financial statements in accordance with the auditing and national accounting principles or standards, by-laws and implementing regulations approved by the Securities and Exchange Organization (SEO);
٢. to present a report to the general meeting in respect of compliance or non-compliance with the prevailing rules and regulations by the directors.

Article ٤٧. Inspector's fee/remuneration

The inspector's fee or remuneration shall be determined by the general meeting. The inspector, directors and their dependants shall not be entitled to receive any cash, assets and additional benefits other than what has been approved by the general meeting, nor can they become directly or indirectly involved in the transactions conducted with the company or in the name or to the account of the company.

Section 7: Company's accounts**Article ٤٨. Fiscal year**

The company's fiscal year begins on ٢٢nd of December of every year and ends on ٢١st of December of the next year.

Article ٤٩. Annual accounts

The board of directors shall compile the company's financial statements together with a report on the operations and financial position of the company no later than three months after expiry of each fiscal year and then deliver them to the inspector.

Note: The balance sheet and profit and loss account shall be prepared in the format prescribed by the High Council of Insurance and communicated by the Securities and Exchange Organization (SEO) whereby an approved copy of it attached to the report of the board of directors and the inspector's report shall be submitted to the Central Insurance of I. R. Iran.

Article ۹۰. Financial statements

The audited financial statements for each fiscal year shall be submitted to the ordinary general meeting for approval within a maximum period of ۴ months upon expiry of the company's fiscal year.

Article ۹۱. Statutory and voluntary reserves

The statutory reserve is set aside out of the company's net profit under the provisions of the Commercial Code. Upon the recommendation of the board of directors and with the approval of the ordinary general meeting a portion of the net profit may also be **set aside to build up other reserves**. In addition to such reserves, it shall be required to include technical reserves as prescribed by the regulations of the Central Insurance of I. R. Iran.

Section 8: Winding up (dissolution) and liquidation

Article ۹۲. Voluntary dissolution of the company

The company extraordinary general meeting may, upon the recommendation of the board of directors, vote for the dissolution of the company. The board's proposed report shall contain the evidence and factors on which the board members rely to recommend that the company be dissolved. This report shall be delivered to the company's inspector to be submitted to the general meeting along with the opinion expressed by the inspector(s). Any decision with respect to the board's recommendation shall not be possible without reading the inspector's report at the general meeting for the purpose of voluntary dissolution of the company. At the extraordinary general meeting for the purposes of voluntary dissolution of the company presence of the holders of more than ۷۵% of the shares entitled to vote is required to meet the quorum.

Note: The dissolution, bankruptcy and merger/amalgamation of the company shall be subject to the applicable regulations including the provisions of articles ۵۱ to ۵۹ of the Act for Establishment of Iran Central Insurance of Iran and Insurance Operations and of the Commercial Code.

Article ۵۳. Liquidation

In the case of the company's winding up under to the provisions of the foregoing article, its liquidation shall be achieved in compliance with applicable laws and regulations.

Section 9: Other provisions

Article ۵۴. Applicable rules of the Securities and Exchange Organization (SEO)

All departments and bodies of the company shall have to comply with the rules and regulations which are notified by the Securities and Exchange Organization (SEO).

Article ۵۵. Items not provided herein

The instances or items which have not been provided in the existing articles of association shall be subject to the provisions of the Act for Establishment of Non-Governmental Insurance Institutions , The Act for Establishment of Iran Central Insurance of Iran and Insurance Operations , directives of the High Council of Insurance, decrees of the Council of Ministers, ordinances of the Central Insurance of I. R. Iran, Commercial Code, Securities Market Act, the rules or standards prescribed by the Securities and Exchange Organization and other prevailing laws and regulations.

Article ۵۶. Provisions of the articles of associations

The present articles of association comprising ۵۶ articles, ۲۳ notes was approved by the general meeting of the founders on January ۴, ۲۰۱۰. Any amendments or modifications in the provisions of this instrument shall be subject to the approval of the Securities and Exchange Organization and consent of the Central Insurance of I. R. Iran.

Chairman

Supervisors

Secretary