

[Extract from “Boletim da República”]

[Section “AMS – Associação Moçambicana de Seguradoras”]

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AMS – Mozambican Association of Insurance

I certify, for publication purposes, that by deed of eleventh of July, two thousand and two, included in pages nineteen and following of the deed book number “73 – A” from the third Records Office in Maputo, before Lídia Julião Balança Miandica, substitute conservative, performing notarial duties, an association was established, named “AMS – Associação Moçambicana de Seguradoras” (Mozambican Association of Insurance) , which shall be regulated by the provisions included in the following articles:

CHAPTER I

General provisions

ARTICLE 1

Name and duration

One) AMS is a private association incorporated under the law for the defence and promotion of the interests of insurance and reinsurance companies.

Two) The duration of the association is indefinite.

ARTICLE 2

Head office and branches

One) The Association has its head office in Maputo.

Two) The head office may be moved in the city of Maputo by simple decision and may be moved to any other location, locality in the national territory upon resolution of the General Assembly.

Three) The Board of Directors may open or close branches or representative offices of the assembly anywhere in the territory.

ARTICLE 3

Purposes of the association:

- a) Represent and defend the common interest of its members and disclose their common positions, either national or international, to any private or public entities;

- b) Promote cooperation between members with a view to reaching converging positions for matters of common interest;
- c) Negotiate and conclude collective labour agreements in representation of the members;
- d) Contribute to the modernization and development of the insurance sector and related operations;
- e) Defend the prestige of insurance business, promote insurance and communicate impartially with the public about such business;
- f) Provide technical assistance for the members and provide them with the available information on matters of their interest;
- g) Organise and manage services and undertake studies or actions that serve the interest of the members or the insurance business in general;
- h) Establish and organise contacts, cooperation and exchange of information with entities that are directly or indirectly connected with the business of the association;
- i) Participate in other associations and in any other legal persons, provided that such participation is of the interest of the members and the association itself;
- j) Undertake any other actions and take any other initiatives serving the interest of the members or the business in general.

CHAPTER II

Members

ARTICLE 4

Requirements and categories

One) Members of the association may include any company authorised to conduct insurance or reinsurance business in Mozambique, accepting and underwriting risks for this purpose, and natural persons occupying an executive position in such companies.

Two) Members of the association are classified into two categories:

- a) Full membership;
- b) Individual membership.

Three) Full membership applies to insurance and reinsurance companies authorised to conduct insurance and reinsurance business in the Mozambican territory, accepting and underwriting risks for this purpose, with registered office or branch duly authorised in Mozambique, and individual membership applies to members of governing bodies of full membership companies.

ARTICLE 5

Rights and obligations of full members

One) Full members have the following rights:

- a) Participate and vote during the general assembly meetings, elect the members of bodies of the association and be elected by them in accordance with the provisions of these statutes;
- b) Request the convening of a meeting of the general assembly, under paragraph 2 of article 16;
- c) Be informed, by the Board of Directors, about the activities carried out by the association and its initiatives;

- d) Express, within the association, their point of view and opinion on matters serving the interest of members, including proposal of strategies for the association, and suggestions for initiatives from the Board of Directors;
- e) Benefit from the services offered by the association.

Two) Full members have the following obligations:

- a) Proceed with payment with regard to entrance and membership fees in accordance with the provisions stipulated in these statutes;
- b) Participate in elections for the bodies of the association and perform the duties for which they were elected;
- c) Contribute to a good image of the insurance industry and the association itself;
- d) Proceed in accordance with the resolutions adopted by the bodies of the association;
- e) Actively collaborate with the association, including providing the elements required for the proper fulfilment of its purposes;
- f) Appoint its representatives in accordance with the provisions of article 12;
- g) Comply with the remaining obligations pursuant to these statutes and the applicable legal or regulatory requirements.

ARTICLE 6

Rights and obligations of individual members

One) Individual members have the following rights:

- a) Be informed about the activities carried out by the association;
- b) Access to the technical documentation informing about the insurance business made available by the association to full members.

Two) Individual members have the rights granted to full members and mentioned in number Two of article 5, excluding paragraphs b) and f).

ARTICLE 7

Registration with the association

One) Companies authorised to conduct insurance and reinsurance business in Mozambique, accepting and underwriting risks for this purpose, and office-holders in governing bodies of such companies, wishing to register shall submit the application to the Board of Directors proving they meet the requirement specified in article 4 for the desired category.

Two) The Board of Directors shall decide about the admission of the new members, the General Assembly having the capacity to appeal this decision.

ARTICLE 8

Cancelation of membership

One) Membership is cancelled:

- a) in the event of resignation;
- b) if all the requirements mentioned in article 4 are no longer met;

c) in the case of a failure to comply with or contravention of the statutory, regulatory or legal obligations of the member, or if the member takes actions seriously compromising the interests of the association or members.

Two) The cancellation in the events referred to in paragraphs a) and b) of previous article is automatic and cancellation in case of c) of the said previous article is a result of a general assembly resolution in accordance with the provisions of article 9, except in the case of a failure to comply with the obligation stipulated in paragraph a) of number Two of article 5 for which the cancellation shall be decided by the Board of Directors.

Three) In the case of default payment of entrance or membership fees, the Board of Directors shall, prior to cancellation of membership, invite the member to proceed with the payment within thirty days maximum, and, if the payment is made within such period, the Board of Directors may no longer exclude the member on this basis.

Four) Cancellation of membership resulting from the events mentioned in paragraphs a) and c) of previous number One implies the loss of entrance or membership fees or any other additional contributions already paid and the obligation to pay the membership fees for the current year, and events of paragraph b) of this number One shall only imply the loss of entrance and membership fees and additional contributions already paid.

Five) Any entity for which the membership is cancelled for any reason referred to in number One also loses all and any rights to the assets of the association.

ARTICLE 9

Infringement or failure to comply with obligations

One) Infringement to statutory, regulatory or legal provisions committed by members shall be punished with the following disciplinary sanctions the implementation of which is the responsibility of the general assembly:

- a) Warning for the record;
- b) Discharge from positions in bodies of the association;
- c) Temporary suspension of membership;
- d) Cancellation of membership.

Two) Exception to the provision of previous number is made in case of failure to comply with the obligation set out in paragraph a) of number Two of article 5, corresponding to the conditions set out in previous article 8, numbers Two and Three.

Three) Disciplinary sanctions stipulated in previous number One shall be applied depending on the severity of the offence committed and always the responsibility of the Board of Directors, initiated within 120 days maximum from the date such body obtained knowledge of the offence, observing the right of defence of members.

Four) Disciplinary offence shall lapse one year after its occurrence.

CHAPTER III

Bodies of the association

ARTICLE 10

Bodies of the association

The bodies of the association are:

- a) The General Assembly;
- b) The Board of Directors;
- c) The Supervisory Board.

ARTICLE 11

Appointment, mandate and filling vacancies

One) Members of the Board of Directors, Supervisory Board, General Assembly Board are elected by the latter, for three years.

Two) Upon expiration of the respective mandates, the members of the bodies of the association stay in office until the first general assembly deciding to replace them.

Three) In the event of resignation or dismissal of the majority of members of the Board of Directors or Supervisory Board, the General Assembly shall immediately be convened by its chairman in order to proceed with the new election, all members staying in office until the election is held.

Four) In the event of resignation or dismissal of members of the Assembly Board, the outgoing chairman himself shall convene a general assembly meeting for the election of a new Board, and this Assembly shall be conducted by the chairman of the Supervisory Board.

ARTICLE 12

Participation of members in bodies of the association

One) To participate in the General Assembly Board, Board of Directors and Supervisory Board, members shall appoint a representative in writing sent to the president of the respective body and presented by them.

Two) The representative appointed under the terms of previous number may be replaced at any time by decision of the member.

Three) Participation of members in general assembly meetings may be assured by any person appointed in a written notice to the chairman of the board and sent to him before the beginning of the meeting, subscribed by one or more persons vesting sufficient representation powers.

Four) The appointed representatives under previous number Three may accumulate the representation of several members.

SECTION I

General Assembly

ARTICLE 13

Composition

The General Assembly is composed of all the full members of the association.

ARTICLE 14

Duties

One) Duties of General Assembly include:

- a) Elect its Board, Board of Directors, Supervisory Board;
- b) Assess and vote the report and accounts annually presented by the Board of Directors with the opinion of the Supervisory Board;
- c) Assess and vote the activities programme and the budget for the following year, which shall be presented with the opinion of the Supervisory Board;
- d) Set, on a proposal from the Board of Directors, the entrance and membership fees charged to full members and the respective due dates, and deliberate, also on a proposal from the Board of Directors on events requiring additional contributions;
- e) Deliberate on the minimum values for entrance and membership fees, based on proposals from the Board of Directors;
- f) Deliberate, on proposals from the Board of Directors, on possible special allocations, under the terms of article 31 to be met by corresponding members;
- g) Deliberate on appeals to decisions from the Board of Directors and on the cancellation of membership, under the terms of article 7, 8 and 9
- h) Exercise disciplinary authority over the members based on information and opinion from the Board of Directors deciding on the implementation of disciplinary sanctions under the provisions of the statutes;
- i) Appoint a remuneration committee including three members in charge of defining the eventual remuneration for office-holders of the bodies of the association;
- j) Modify the statutes;
- k) Deliberate on eventually giving legal autonomy for services of the association;
- l) Deliberate on the acquisition, encumbrance and alienation of movable assets;
- m) Deliberate on the dissolution and liquidation of the association;
- n) Deliberate on any other matters for which it was convened.

Two) The General Assembly is also responsible for proceeding to a new election of the members of the Board of Directors and Supervisory Board in order to fill vacancies.

Three) In addition, it is the responsibility of the General Assembly to appoint an honorary president of the association to one or more figures to be chosen amongst former presidents of the Board of Directors, who, at its request, may fulfil specific tasks including contribute to the work of the association and represent it before national and international entities.

ARTICLE 15

Board

The General Assembly Board is composed of a chairman and secretary, trivially elected amongst the members.

ARTICLE 16

One) The General Assembly shall ordinarily meet:

- a) At least once a year, in order to discuss and approve the activities programme of the association, budget and financial report;

- b) Every three years, in order to elect the members of the bodies of the association during a meeting which may coincide with previous paragraph.

Two) In addition to the cases specifically provided for in these statutes, the General Assembly shall meet extraordinary whenever the Board of Directors, Supervisory Board or a third of all the full members request the president of the Board to do so.

ARTICLE 17

Notice of meeting

One) The General Assembly shall be convened by the president of the Board or by his substitute, by registered letter, telex or fax, in any case giving eight days prior notice specifying the agenda.

Two) If the notice of meeting is sent by telex or fax, it shall be sent by the issuing office to the office of destination.

Three) The General Assembly shall meet on a first call provided that the majority of full members and of the votes included in the list referred to paragraph g) of article 21 are represented, half an hour after which it can meet on a second call with any number of members present, regardless of the number of votes allocated to them and in accordance with the provisions of article 19.

ARTICLE 18

Number of votes

Each full member is entitled to one vote at the General Assembly.

ARTICLE 19

Majority

One) Apart from the exceptions mentioned in following number, resolutions are taken by the majority of votes from the members present.

Two) Resolutions on matter referred to in paragraph j) of article 14 shall only valid and effective if approved by three quarters of all the members present.

Three) Resolutions on matters referred to in paragraph m) of article 14 shall only be valid and effective if approved by three quarters of the votes issued by all members.

SECTION II

Board of Directors

ARTICLE 20

Constitution

One) The Board of Directors is composed of three to five members elected every three years in general assembly.

Two) This body shall have a president and a vice-president.

Three) The members of the Board of Directors shall be full members.

Four) It is the responsibility of the general assembly itself, electing the members of the Board of Directors to appoint the president.

Five) During the first meeting after the election, the Board of Directors shall appoint the vice-president and deliberate on the processing to replace the president in the case of his prolonged absence or incapacity.

Six) The Board of Directors shall have the option to appoint a general manager of the association, and freely delegate powers to him.

ARTICLE 21

Competence

The Board of Directors is vested with the necessary powers to fulfil the purposes of the association and administration thereof, including powers to:

- a) Present annually to the general assembly the report and accounts as well as the budget and the activities programme for the following year;
- b) Request the president of the board to convene a general assembly;
- c) Propose to the general assembly a minimal value for the annual fees charged to the members as well as the value for the entrance and membership fees in accordance with the provision of article 30;
- d) Propose to the general assembly , when necessary, the payment by the members of additional contributions to cover insufficient budget of the association;
- e) Request the meeting of the Supervisory Board and require their opinion;
- f) Decide about registration applications of members, under article 9;
- g) Make a list prior to each general assembly meeting, and make it available, with the number of votes allocated to each full member;
- h) Define procedures for authorising expenses and moving funds, collect revenues of the association, authorise expenses, collect the sums paid as special allocations as stipulated in article 31 and decide about their usage in accordance with the purposes to which they were allocated;
- i) Represent the association in court or not, and before any national or foreign entities, compromise, desist from legal actions or application; or confess in any court proceedings and engage in arbitration;
- j) Manage the property of the association, including acquiring, alienating or encumbering, in any way, rights, movable and immovable assets subject to the provision of paragraph e) of article 14;
- k) Rent out the properties belonging to the association and rent the properties required for the activities;
- l) Deliberate on the provision of services to non-member entities;
- m) Create, manage and head the services of the association including arrival and departure of staff;
- n) Implement and enforce statutory and regulatory precepts, resolutions adopted by the general assembly and take all the measures required for the fulfilment of the purposes of the association and proper performance of its duties.

ARTICLE 22

Competence of the president of the Board of Directors

It is the responsibility of the president of the Board of Directors to:

- a) Represent the association and the Board of Directors;

- b) Call and chair the Board meetings;
- c) Exercise a casting vote, under the terms of number Three of article 23.

ARTICLE 23

Board of Directors meeting

One) The Board of Directors shall ordinarily meet every three months and extraordinarily whenever its president calls it on his own initiative or at the request of the majority of its members or Supervisory Board.

Two) Resolutions of the Board of Directors shall only be valid if the majority of its members in office are present.

Three) Resolutions of the Board of Directors shall be taken by the majority of its members present entitled to one vote each, the president or, in his absence, the vice-president replacing him shall have the casting vote in the event of a tie.

Four) Minutes shall be drawn up for every meeting and signed by all the members present.

ARTICLE 24

Representation powers

One) The association is bound by signature:

- a) Of two members of the Board of Directors;
- b) Of one member of the Board of Directors and an attorney-in-fact;
- c) Of two attorneys-in-fact;
- d) Of the general manager, if any, with the joint signature of an attorney-in-fact or a member of the Board of Directors;
- e) Of an attorney-in-fact authorised to perform certain and specific acts.

Two) For acts of simple administrative matters the signature of one member of the Board of Directors, general manager if any or an attorney-in-fact shall be sufficient.

Three) The Board of Directors may deliberate about the delegation of powers to staff of the association or persons from outside specifying in the act the limitations and conditions for such delegation.

SECTION III

Supervisory Board

ARTICLE 25

Constitution

One) The Supervisory Board is composed of three members, one of which shall be president, elected, amongst full members in general assembly.

Two) The appointment of president is also the responsibility of the general assembly.

ARTICLE 26

Duties

It is the responsibility of the Supervisory Board to:

- a) Assess and provide opinions on the annual report and accounts and about the budget and the activities programme for the following year;
- b) Conduct , at any moment, supervisory activities on the management of the association and request accountings elements from the Board of Directors;
- c) Examine the accounts of the association;
- d) Request the president of the Board of Directors to convene joint meetings with this body when, within its competence, it detects circumstances the seriousness of which justifies such meetings;
- e) Give an opinion on any matter of interest for the association and referred to it by the Board of Directors.

ARTICLE 27

Meetings

One) The Supervisory Board shall ordinarily meet at least once a year and extraordinarily whenever convened by the respective president, on his own initiative or at the request of the majority of its members or the Board of Directors.

Two) Minutes shall be drawn up for every meeting of the Supervisory Board, and signed by all the members present.

CHAPTER IV

Revenues and expenses

ARTICLE 28

Property of the association

The property of the association is composed of assets and any values transferred to, allocated to or acquired by it.

ARTICLE 29

Revenues of the association

Revenues of the association include:

- a) Membership and entrance fees paid by members;
- b) The result of any additional contributions paid by the members;
- c) The sums charged for the services provided;
- d) Results of any financial investments;
- e) Subsidies allocated to it;
- f) Other revenues resulting from its activities.

ARTICLE 30

Membership and entrance fees

One) Any full member is required to pay an annual fee so that the total amount of membership fees charged to the members makes up the necessary value for the budget of each year.

Two) The value for the annual fee shall be set by the general assembly based on the proposal from the Board of Directors.

Three) The membership fee is paid on the date and in the form stipulated by the general assembly.

Four) The companies wishing to become full members shall pay the entrance fee under paragraph a) of number Two of article 5, this entrance fee shall also be set by the general assembly.

ARTICLE 31

Special allocations

One) Special allocations may be required from members in order to meet future responsibilities the association is charged with under the terms of article 14 paragraph f).

Two) The value for the special allocations shall be set by the general assembly, upon a reasoned proposal presented by the Board of Directors and shall meet the requirements stipulated in number Two and Three of previous article.

Three) Special allocations shall be reimbursed to members, upon decision of the general assembly, whenever they exceed the values of the responsibility which motivated such contributions or assumptions are no longer verified, and such contributions are no longer justified.

ARTICLE 32

Expenses of the association

Expenses of the association include:

- a) Operating expenses;
- b) Costs related to acquisition, maintenance and conservation of its property or required services;
- c) Any other expenses resulting from its activity.

CHAPTER V

Dissolution and liquidation

ARTICLE 33

Winding-up of the association and restitution of its property:

One) the association is dissolved in cases and under the terms provided for by law and these Statutes.

Two) When the association is dissolved and liquidated, the destination of its assets shall be decided in general assembly by resolution passed with at least the majority referred to in number Three of article 19.

CHAPTER VI

Final and temporary provisions

ARTICLE 34

Technical committees

Within the association, technical committees may be created by the Board of Directors, including members' representatives and shall constitute support and consultation bodies of the said board.

ARTICLE 35

Financial year

The financial year corresponds to the calendar year.

ARTICLE 36

Obligation of secrecy

One) Members of the governing bodies of the association shall protect the confidentiality of facts they obtained knowledge of exclusively in the exercise of their duties.

Two) Breach of the obligation of professional secrecy under previous number is beyond civil liability and liability to disciplinary actions and punishable under criminal law.

ARTICLE 37

Retention of documents

Documents of the association shall be retained in files under the legal terms applicable to insurance companies.

In conformity:

Maputo, eighteenth of July, two thousand and seven.

The assistant, *illegible*.