



## The Board of Directors Remuneration Policy



# **The Board of Directors' Remuneration Policy, and its Subsidiary Committees and the Executive Management**

**First: An introduction:**

The “Remuneration policy of the Board of Directors, its subsidiary committees and the executive management” was established for Salama company (later referred to as “the company” or “Salama”) to abide by paragraph number 1 of article number 61 of the governance list of companies imposed by the committee of the capital market following resolution number 8-16-2017 dated 16/5/1439 Hijri corresponding to 13/2/2017 AD which stated that committees of remunerating and nominating are to "establish clear policies to remunerate members of the Board of Directors, its subsidiary committees and the executive management, which is then to be sent to the Board of Directors to consider it before sending it to the general committee for approval."

**Second: The objective:**

This policy aims to specify solid standards as to how the Board of Directors, its subsidiary committees, and the senior executives are supposed to be reimbursed considering the company’s requirements, the regulations, and regimes of the Capital markets' authority. It also aims to attract individuals with enough competence, ability, and talent to work in the Board of Directors, its subsidiary committees, and the executive management by adopting programs and plans that are reliant on performance and ensure remunerating, which will contribute to the improvement of the performance of the company itself and benefit its contributors.

**Third: General standards for the remunerating system**

The remunerating and nominating committee is specialized in rewarding the members of the council, the members of the committees and the senior executives in the company according to the approved standards as follows:

1. The reimbursement is to be inconsistent with the activities of the company and the skills needed to manage it.
2. The variable part of the remunerate is to be linked with the long-term performance of the receiver.
3. The company is to take into account how coherent the remunerates are with the strategy of the company, its goals, and the nature and magnitude of the risk that might arise from its potential risks.
4. The company is to take into account the practices of other companies and the norm of the market regarding the determination of the remunerates. It is also to avoid what might arise due to this, such as overpricing and compensations.

5. It is to be prepared in coordination with the committee of remunerating and nominating when it comes to new recruitment.
6. The remunerates are to be determined based on the post's level, the duties, responsibilities of the rewards, academic qualifications, practical experiences, skills, and performance of the remunerated.
7. The remunerates are to be fair and incoherent with the specialty of the member and the duties of the members of the Board of Directors or the committees and the goals specified by the Board of Directors that were meant to be achieved throughout the financial year.
8. The sector to which the company belongs and the size and experience of the Board of Directors are also to be taken into account.
9. The remunerate is to be of enough magnitude to grab the attention of competent and experienced members of the Board of Directors and to stimulate them and assure they remain interested in the job.
10. The remunerates of the members of the Board of Directors can vary if it reflects the amount of experience and how specialized each member is and how good they are at doing their job, and how independent they are, in addition to how many meetings they attend and other considerations.
11. If inaccurate information fed by a member of the Board of Directors or the executive management leads to a member being reimbursed, then the remunerates are to be stopped or regained in order to prevent any exploitation of status to get undeserved indemnifieds
12. In case a program is to be developed to allow members of the Board of Directors, the executive management, or their staff to take shares in the company, whether these shares were new editions or claims that the company had bought. This procedure is to be performed under the committee's supervision of remunerating and nominating, and under the central guidelines, systems, company regulations, and the related capital market.

#### **Fourth: Remunerates of the Board of Directors Members:**

1. Remunerates for the Board of Directors in Salama company of mutual insurance (Salama or the company) are a certain sum, attendance allowance of the committee meetings, expenses allowance, other materialistic benefits, or a percentage of the profits. According to the table related to this policy, the combination of two or more of these benefits is allowed unless it exceeds what was mentioned in the regulations and regimes of companies. Any change that might occur to that table, is then acceptable according to the system.
2. Remunerates can vary in light of the policy that the committee of remunerating and nominating establishes and the assembly approves of. The yearly report of the Board of Directors to the general assembly of contributors is to contain a comprehensive statement of everything that each member of the Board of Directors has received throughout the financial year, whether that was remuneration, allowances, or others that is of benefit to them. The report is also to contain a statement as to what salary each member had been paid as employees or managers or in exchange for substantive, managerial, or consultatory aid (if it had happened) and that this statement is to mention the number of meetings of the committee and the number of meetings that the member has attended starting with the date of the last general assembly meeting.

3. In case that the remuneration of the members of the council is a percentage of the profit, then paragraph number 2 of article number 76 of the company's regulations and article number 19 of the primary principle of the company are to be taken into account under the condition that the total sum of what each Board of Directors member receives -does not exceed **500,000 Saudi Riyal a year**.
4. It should be taken into account that the remuneration of the board of directors' independent members must not be a percentage of the profits that the company has gained or even has been based -directly or indirectly on the company's profitability.
5. Benefits of medical insurance for them and their families.
6. A document of liability insurance for the board member.

#### **Fifth: Remunerates of Board members:**

1. The Board of Directors is to determine and approve of the remunerates accompanied by the membership of the subsidiary committees -except for the revision committee- and attendance allowances and others that the members are to receive based on the recommendation of the remuneration and nomination committee.
2. The rewards of the board of directors' subsidiary committees consist of yearly remuneration or meeting attendance allowances or others that they receive. Two or more benefits can be combined as stated in the policies and according to the table.
3. As for the remuneration of the revision committee's membership, this one is to be approved by the general assembly of the contributors based on the board of directors' recommendations according to the system.
4. When a new membership is to be added to the subsidiary committees, the number of committees that one can join must be taken into account. It does not exceed the total sum of what a member receives for being a committee member or the council. The maximum sum is mentioned in the company's regulations.

#### **Sixth: Remunerates of Executive Management members:**

The committee of remuneration and nomination is to revise the appointed salary scale for all employees regularly, senior executives, and the programs and plans for the incentives and are to adapt them based on recommendations from the Board of Directors. Remunerates of the executive management include the following:

- The primary salary (that is to be paid monthly at the end of each month AD).
- Allowances include but are not limited to: residency allowance, commuting allowance, child education allowance, and phone allowance.
- Benefits of medical insurance for the employee and their family.
- Life insurance policy (that includes work accidents, partial and complete disability, and death during work)
- Yearly remunerates that are related to performance indicators according to the annual evaluation that is executed on that basis.

- Short-term motivation plans are related to outstanding work and long-term motivational programs like stock option programs (whenever available).
- Other benefits include but are not limited to a yearly vacation, yearly traveling tickets, and executive airport services in circumstances that do not contradict working hours and human resources policies approved by the company.
- The committee approval plans, programs, and the leading indicators of senior executives' remuneration and nomination.
- The chief executive is to apply the remunerates' policies for the employees and the senior executives in light of the plans, programs, and leading indicators that the committee approves of.

**Seventh: Additional determinants and means of payment:**

1. Members of the Board of Directors are not allowed to vote on the remunerates clause of the board of directors' members in the meeting of the general committee of the contributors.
2. The company discloses the board, committees, and senior executives rewards and the senior executives in the yearly report of the Board of Directors according to the controls and directives imposed by the company's regulations and the capital market regimes.
3. Each member deserves their remunerate as of the date on which he joined the council or the committee and in relation to the duration of their membership.
4. The procedure for disbursing remunerates of the Board of Directors and the committees are prepared for by the members of the secretary of the committee only if the chief executive accepts the disbursing order.
5. Attendance allowance for the committee meetings, remunerates of the committees, and attendance allowance for committee meetings are all disbursed after each meeting; as for the yearly remunerates for the committee, they are to be paid directly and in full charge after stating that in the yearly meeting of the general committee.

**Eighth: A statement regarding the details of remunerating the members of the Board of Directors and its committees:**

- 1) **Members of the Board of Directors: to be due , when the membership exceeds a financial year and until the next general assembly and all, otherwise it is subject to the estimation of the committee of remunerating and in all cases it must not be any less than the bare minimum specified in the main regulation of the company**

Sum	Statement	
3,000 Saudi Riyal	Attendance allowance for attending the meeting of the Board of Directors	A
Based on the bills presented but it must not exceed 1,500 Saudi Riyals a day.	Additional allowance for those who live in a city other than that of the meeting place (for residency and commuting).	B
300,000 Saudi Riyal	A yearly sum for the president	C
200,000 Saudi Riyal	An annual sum for the members	D

3,000 Saudi Riyal	Attendance allowance for the secretary of the council	E
Remunerates that are related to the profits: there is a certain percentage of the net profit based on the recommendation of the committee of remunerating and nominating and in case the net profit of the company had met specific requirements and the systemic conditions while following paragraph B of the fourth article of the regimes and regulations that have been set in accordance with the companies' regulations and the article number 19 of the main system of the company.		F
Editing and Means of Payment		G
<ul style="list-style-type: none"> <li>• It is allowed to check the sum labeled as the yearly remunerate specified for each member of the Board of Directors mentioned in paragraphs C and D of article number 1 from time to time based on the recommendation of the committee of remunerating and nominating, but this can only be the case in light of variables related to the efficacy of performance. Afterward, approval of the general assembly of the contributors is also a must.</li> <li>• Attendance allowance and additional attendance allowance are to be paid after each meeting, whereas yearly remunerates are to be paid immediately after being approved by the general assembly of contributors.</li> </ul>		

## 2) Members of subsidiary committees of the Board of Directors

Sum	statement	
2,000 Saudi Riyal	Attendance allowance for one meeting of the committee's meetings by the member.	A
70,000 Saudi Riyal	Yearly deposit for the head of the committee and its members.	B
Based on the bills presented but it must not exceed 1,500 Saudi Riyals a day.	Additional allowance for those who live in a city other than that of the meeting place (for residency and commuting).	C
1,500 Saudi Riyal	Attendance allowance for the committee secretary.	D

Attendance allowance and additional attendance allowance are to be paid after each meeting, whereas yearly remunerates are to be paid immediately after having the membership completed a financial year; otherwise the judgment of the committee of remunerating is to be the judge.

## 3) Expenses and other benefits:

A. The company incurs the cost of the expenses of travel tickets for the council members and the committees that live outside of the city where the meetings are to be held.

B. The company incurs the cost of residency expenses and the tickets for each member of the council, the committees, and the executive management if the meetings are to be held outside of the city where the company's headquarter is.

C. All tickets of travel (round-trips) for the council members and the committees are based on the job level while favoring the national transporter (based on the available reservation).

**Ninth: Finale rules (revisioning, editing, and publishing this policy):**

The policy is carried out and adhered to by the company as of the date that it is to be verified by the general assembly of the contributors. It is to be posted on the electronic website of the company to make it easier for the contributors, the audience, and those of any benefit related to the company to study, revise proposed edits and recommend them to the general assembly to adopt them.

**N.B:**

*This policy has been adopted according to the general assembly for the company's contributors' decision that has been agreed upon as of ..../1442 Hijri at .. O'clock.*

## The foundation system

## Modifications

Article by the base system after the amendment	The material is in the approved foundation system of the company	Matter
<p>Established following the provisions of the Cooperative Insurance Control System, the Companies System, the Financial Market System, its Executive Regulations, and the Company's Regulations, and the Saudi Stock Company shall be a Saudi corporation among the Stock Owners set out below.</p>	<p>In accordance with the provisions of the Cooperative Insurance Control System and its Regulations, the Company's System, the Financial Market System, its Executive Regulations, and the Regulations of the Company, a Saudi joint-stock company is established among the shareholders listed below.</p>	<p><b>Article (1) Establishment</b></p>
<p>Cooperative Insurance Business at the General Insurance and Insurance Branch Health and the firm may do all the work that needs to be done To achieve its purposes; the company is operating in accordance with the insurance company's control system Cooperative, its Executive and judgments issued by the Central Bank of Saudi Arabia And the regulations and rules in force in Saudi Arabia and after obtaining Appropriate licenses, if any, from the competent authorities.</p>	<p>The cooperative insurance business and all related to this work are reinsurance, proxies, representation, correspondence, or mediation. The company may perform all work that is required for its purposes, whether in the area of insurance or the investment of its funds and may acquire, transfer, sell, exchange or lease the fixed and cash funds directly or by companies that establish or purchase them or in association with others and the company shall conduct its activities in accordance with the provisions of The Cooperative Insurance Control System and its implementing regulations and rules inforced in Saudi Arabia and after obtaining the necessary licenses from the competent authorities if any.</p>	<p><b>Article (3) Company purposes</b></p>
<p>The company may establish companies with limited liability, or a contribution from One person that may own stocks and shares in Other existing or merging companies and have the right to partner with Others in establishing joint or limited liability companies - so Be the companies partnered or intergrated with by the company, to be conducting of similar businesses, financial business, or That it has cooperated in achieving its purpose - after fulfilling what it</p>	<p>The company may establish limited liability companies, a closed contribution (provided that the capital is not less than SAR 5 million). It may also own or merge with shares and stocks in other existing companies. It may co-establish joint or limited liability joint-stock companies - companies created, engaged in, or connected with the company may conduct business-like, financial, or cooperative business To achieve its</p>	<p><b>Article (4) Corporate participation and ownership</b></p>

<p>has cooperated in achieving its purpose – after fulfilling what is required from The regulations and instructions followed in this regard, and after obtaining approval <b>Saudi Central Bank</b>.</p>	<p>purpose, after fulfilling the requirements of the regulations and the instructions followed in this regard, and after obtaining the approval of the Saudi Arabian Monetary Agency.</p>	
<p>The company invests the funds it collects from the insured and the shareholders In the company according to the rules set by the board of directors in which does not Conflict with the Cooperative Insurance Control System, its implementing regulations and the regulations, <b>And judgments</b> issued by <b>the Central Bank of Saudi Arabia</b> or any party Other related.</p>	<p>The company invests the funds it collects from the insured and the shareholders In the company according to the rules set by the board of directors and not Conflicts with the Cooperative Insurance Control System, its implementing regulations and regulations, And other related instructions issued by the Arab Monetary Fund Saudi Arabia or any other related party.</p>	<p><b>Article (7) Company investments</b></p>
<p>1. Shares written by the founders may not be traded until the balance sheets are published at least two financial years, every 12 months from the date of the establishment of the company. <b>After obtaining the approval of the Central Bank of Saudi Arabia</b>, the instruments of these shares are indicated as to their type, date of establishment, and the period in which they are prohibited from trading.</p> <p>2. During the period of prohibition, ownership of shares may be transferred in accordance with the provisions of the sale of rights from one of the founders to another, or from the heirs of one of the founders in the event of death to another, or in the case of execution of the assets of the insolvent or bankrupt founder, with the priority of ownership of those shares to the other founders. The provisions of this article shall apply to the wages of the founders in case of an increase in the capital before the expiration period of the embargo.</p>	<p>The shares written by the founders may be traded only after the publication of the financial statements for a period of two financial years, each less than twelve months from the date of the establishment of the company, and the instruments of these shares shall be indicated as to their type, date of establishment of the company, and the period during which they are prohibited from trading. However, during the period of the prohibition, ownership of shares may be transferred in accordance with the provisions of the sale of rights from one of the founders to another, or from the heirs of one of the founders in the event of death to another, or in the case of execution of the assets of the insolvent or bankrupt founder, with the priority of ownership of those shares to the other founders. The provisions of this article shall apply to the founder's wages in the case of an increase in capital before the expiration of the period of the embargo.</p>	<p><b>Article (12) Stock trading</b></p>
<p>1.the extraordinary General Assembly may decide to increase the company's capital after the approval of <b>the Central Bank of Saudi Arabia and the Financial Market Authority</b>, provided that the capital has been paid in full. <b>Money is not required to have been</b></p>	<p>The extraordinary General Assembly may decide to increase the capital of the company after the approval of the competent authorities, provided that the money has been paid in full.</p>	<p><b>Article (13) Increasing capital</b></p>

<p>paid in full if the unpaid portion of the money is due to shares issued to convert debt instruments or financing instruments to stocks and has not yet completed the planned period for conversion to equity.</p> <p>In any event, the General Assembly may allocate issued shares when raising capital or part thereof to the company's employees and its subsidiaries or some of them. Shareholders may not exercise the right of priority when the company issues the shares allocated to employees.</p> <p>3.the shareholder who owns the share - at the time of the General Assembly's decision to approve the increase of capital - has priority in the subscription of new shares issued in exchange for cash shares, and they are informed of their importance - if any - by publishing in a daily newspaper or by means of the registered mail of the decision to increase capital and the conditions of the subscription, its duration, the date of the start and end of the subscription.</p> <p>4.the extraordinary General Assembly is entitled to suspend the right of priority for shareholders by increasing capital for cash shares or giving priority to non-shareholders in cases that it deems appropriate for the company's benefit.</p> <p>5.the contributor is entitled to sell or waive the priority right within the period from the time of the General Assembly's decision to approve the increase of capital to the last day of the subscription to the new shares associated with these rights, in accordance with the regulations established by the Financial Market Authority.</p>	<p>At the time of the General Assembly's decision to approve the capital increase, the shareholder has priority in the subscription of new shares issued for cash shares, and they are informed of their importance - if any - by publishing a daily newspaper or by means of registered mail of the decision to increase capital, subscription terms, period, start date and end. The extraordinary General Assembly has the right to suspend the shareholders' right of priority by increasing the capital in exchange for cash shares or giving priority to non-shareholders in cases that it considers appropriate for the company's benefit. The contributor is entitled to sell or waive the right of priority within the period from the time of the General Assembly's decision to approve the increase of capital to the last day of the subscription to the new shares associated with these rights, in accordance with the regulations established by the competent authority.</p>	
<p>1.the General Assembly may decide to reduce the capital if it increases the company's need or if it suffered losses - after the</p>	<p>The extraordinary General Assembly may decide to reduce capital if it increases the company's need or if it suffered losses</p>	<p><b>Article (14)</b></p>

<p>approval of the Central Bank of Saudi Arabia and the Financial Market Authority - the capital paid to the insurance company shall not be less than 100 million riyals and the capital paid to a Reinsurance or Insurance company shall be at least 100 million riyals as well as the capital paid to the practicing Reinsurance or insurance company that is simultaneously reinsurance for (200) 200 million riyals. The reduction decision shall be made only after a special report prepared by the Auditor on the reasons for it, the obligations of the firm and the effect of the reduction in these obligations has been readout.</p> <p>Suppose the reduction of capital is due to the increase in the need of the firm. In that case, creditors must be invited to make objections within 60 days of the date. The reduction decision is published in a daily newspaper distributed in the main company's area. If a creditor objects and provides the company with its documents on time, the firm must give it a debt if it is current or provide it with sufficient security to meet it if it is a term.</p>	<p>- after the approval of the competent authorities - the capital paid to the insurance company shall not be less than 100 million riyals, and the capital paid to the reinsurance company or insurance company shall be at least 100 million riyals At the same time, the reinsurance works for (200) 200 million riyals. The reduction decision shall be made only after a special report prepared by the Auditor on the reasons for it, the firm's obligations, and the effect of the reduction in these obligations has been readout. Suppose the reduction of capital is due to the increase in the firm's need. In that case, creditors must be invited to make objections within 60 days of the date of publication of the reduction decision in a daily newspaper distributed in the area where the main company is located. If a creditor objects and provides the company with its documents on time, the firm must give it a debt if it is current or provide it with sufficient security to meet it if it is a term.</p>	<p><b>Capital reduction</b></p>
<p>The company is managed by a seven (7) board of directors elected by the regular General Assembly for a term not exceeding three years - and the composition of the board must reflect the appropriate representation of the independant members. In any event, the number of independant members of the Council may not be less than two or a third of the members of the Council, whichever is greater. Except for this, the Constituent Assembly appoints the members of the first Board of Directors for a period not exceeding (3) three years starting from the date of the month of the decision of the Ministry of Trade and Investment to establish the company.</p>	<p>A seven-member board runs the company of directors elected by the regular General Assembly for a term of no more than three years, and the composition of the board of directors must reflect an appropriate representation of the independent members. In any event, the number of independant members of the Council may not be less than three. Except for this, the Constituent Assembly appoints the members of the first Board of Directors for a period not exceeding (3) three years starting from the date of the month of the decision of the Ministry of Trade and Investment to establish the company.</p>	<p><b>Article (15) Corporate Management</b></p>

<p>1. The membership of the board shall be terminated upon the end of the board's session, resignation, death, absence of three meetings within one year without legitimate and acceptable excuse, or if the Board of Directors has established that the member has breached his duties in a manner detrimental to the interests of the company, provided that the approval of the General Assembly accompanies this. Upon termination of membership in accordance with any system or instructions in force in Saudi Arabia, or if a member is sentenced to one month of bankruptcy or illness, has applied for settlement with his creditors, has stopped paying his debts, has a mental illness, or has a physical disability that may lead to the member's inability to perform his or her role in the best possible way if found to have committed an act that is not in breach of honesty and morality or is convicted of forgery under a final judgment.</p> <p>2. The ordinary General Assembly may at each time isolate all or some of the members of the board without prejudice to the right of an isolated member to claim compensation if the dismissal occurs for an unacceptable reason or at an inappropriate time and for a member of the Board of Directors, provided that it is timely or otherwise Liable before the company for damages resulting from the retirement. If a board member resigns and has notes on the company's performance, they must submit a written statement to the board chairman; this statement should be submitted to the board members. 4. The Central Bank of Saudi Arabia shall be informed when any member of the Council resigns or terminates its membership for any reason other than the end of the Council session within (5) five working days from the date of leaving the work and taking into account the relevant disclosure requirements.</p>	<p>The membership of the board shall terminate upon the expiration of the term of appointment, resignation or death, or if the Board of Directors has established that the member has breached his duties in a manner detrimental to the interests of the company provided that this is accompanied by the approval of the ordinary General Assembly or the termination of his membership in accordance with any system or instructions in force in Saudi Arabia. Or if sentenced to a month of bankruptcy or hardship, has applied for settlement with his creditors, has stopped paying his debts or has become mentally ill. If they is found to have committed an act of breach of honesty and morality or is convicted of forgery, however, the General Assembly may at all times isolate all or some of the members of the board without prejudice to the right of an isolated member to seek compensation if the dismissal occurs for an unacceptable reason or at an inappropriate time and for a member The Board of Directors may retire provided that this is in good time or is otherwise liable to the company for damages resulting from the retirement.</p>	<p><b>Article (16) Termination of the membership of the Council</b></p>
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<p>In the event of a vacancy in the position of a member of the board, the board would have appointed - temporarily - a member of the vacant center with sufficient experience, after obtaining a non-objection to the Central Bank of Saudi Arabia and without considering the order of obtaining votes in the General Assembly through which the board was elected. The Ministry of Trade and Investment, as well as the Financial Market Authority, must be notified within (5) five working days of the date of appointment and presented to the regular General Assembly at its first meeting, and the new member shall complete the term of his predecessor only</p>	<p>In the event of a vacancy in the position of a member of the board, the board would have appointed - temporarily - a member of the vacant center with sufficient experience, after obtaining a non-objection to the Saudi Arabian Monetary Agency and without considering the order of obtaining votes in the General Assembly through which the board was elected. This shall be communicated to the Financial Market Authority within (5) five working days of the date of appointment and shall be submitted to the regular General Assembly at its first meeting, and the new member shall complete only the term of his predecessor. The General Assembly may not be convened by a decision of the competent authority in the event that the number of members of the Governing Council falls below the minimum level of validity. The Saudi Arabian Monetary Agency (SAMA) should be informed when any member of the board resigns or terminates its membership for any reason other than the end of the Council session within (5) five working days from the date of leaving the work and following the relevant disclosure requirements.</p>	<p><b>Article (17) Vacancy in the Board</b></p>
<p>1. Subject to the terms of reference established for the General Assembly, the board shall have the widest authority to manage the company for its purposes, except as provided for in a special provision in the corporate system or in this system of acts or acts falling within the competence of the General Assembly, The Chairman of the Board of Directors of the Company shall be brought before the courts, arbitration and other bodies. The Council shall also, within its competence, authorize one or more of its members or others to undertake certain work or work in</p>	<p>Subject to the terms of reference established for the General Assembly, the board shall have the widest powers to manage the company for its purposes and, within its competence, may authorize one or more of its members or others to undertake certain work or work in such a manner as not to conflict with the relevant regulations and regulations.</p>	<p><b>Article (18) Powers of the Council</b></p>

<p>such a manner as not to interfere with the relevant regulations and regulations.</p> <p>2.the Board of Directors may contract loans of any duration, sell or mortgage the assets of the company, sell the place of the Commercial Company, mortgage or discharge the debtor of the company from their obligations, unless such regulations contain or are issued by the ordinary General Assembly, which limits the board's powers to do so.</p>		
<p>1. Members of the Board shall be rewarded with a certain amount, a attendance allowance for sessions, in-kind benefits or a certain percentage of net profits, and two or more of these benefits may be combined.</p> <p>2. Suppose the reward is a certain percentage of the company's profits. In that case, this rate may not exceed (10%) of the net profits, after deducting the reserves decided by the General Assembly in the application of the provisions of the cooperative insurance company control system, the company system, and this system. After a profit has been distributed to shareholders at least (5%) of the company's paid-up capital, the entitlement of this award shall be proportional to the number of sessions the member attends, and any other estimate shall be void.</p> <p>3. In all cases; The total amount of compensation and benefits received by a member of the board shall not exceed RO 500,000 per year (excluding members of the Review Committee), in accordance with the controls established by the Financial Market Authority.</p>	<p>The minimum annual award for the Chairman and members of the Board is SAR120,000 (SAR 120,000) and the maximum amount (SAR 500,000) is SAR500,000 per year for their membership and participation in the Board of Directors, including additional bonuses if a member participates in any committee of the Board of Directors.</p> <p>In case the company achieves profits, a ratio equal to (10%) of the rest of the net profit may be distributed after deducting the reserves decided by the General Assembly in the application of the provisions of the cooperative insurance system and after distributing a profit to shareholders at least (5%) of the paid company's capital. The entitlement to this award shall be proportionate to the number of sessions attended by the member, and any other estimate shall be null and void.</p>	<p><b>Article (19) Reward Board members, and reward for the Chairman and Managing Director</b></p>

<p>The report of the Governing Council to the regular General Assembly should contain a comprehensive statement of all the bonuses, expenses, and other benefits that Board members received during the financial year. It should also include an information of what members of the Council had accepted as workers, administrators, or those arrested for technical, administrative or advisory work. It should also include a statement of the number of meetings of the Council and the number of meetings each member attended from the date of the last meeting of the General Assembly.</p>	<p>In any event, the total amount of compensation and financial and in-kind benefits received by a member of the board does not exceed SAR 500,000 per year.</p> <p>The maximum attendance allowance for the Council sessions and its committees (5000) is 5,000 rials for each session, not including travel and accommodation expenses.</p> <p>Shall be paid to each Council member, including the President of the Council; The number of actual expenses they incur to attend Board meetings or Governing Council committees, including travel, accommodation, and subsistence expenses.</p> <p>The report of the Governing Council to the regular General Assembly should contain a comprehensive statement of all the bonuses, expenses, and other benefits that Board members received during the financial year. It should also include a statement of what members of the Council had accepted as workers, administrators, or those arrested for technical, administrative, or advisory work. It should also include a statement of the number of meetings of the Council and the number of meetings each member attended from the date of the last meeting of the General Assembly.</p>	
<p><b>Article 20: Terms of reference and terms of chairman office, Deputy, Managing Director, and Secretary:</b> The board shall appoint from among its members a President and a Vice-President and a Chief Executive, may appoint a Managing Director, may not combine the position of Chairman with any executive position of the company, and the Chairman shall be</p>	<p><b>Article 20: Powers of the President, term of office, members of the board, and members of the Deputy Managing Director and Secretary:</b> The board shall appoint from among its members a President and a Vice-President and a Chief Executive, may appoint a</p>	<p><b>Article (20) Terms of reference and term of office of the Chairman, Deputy,</b></p>

<p>entitled to sign the company and implement the board's decisions. The Chairman of the Board of Directors is responsible for representing the company before the courts, arbitration, and other bodies, and the Chairman of the Board may, by written decision, delegate some of his powers to other members of the board or others to engage in specific work or work. The board shall determine the salaries, allowances and payments of the President of the Board and the assigned member in accordance with article 19 of the Regulations. The Governing Council must appoint a Secretary to the Council's House. The board may also appoint one or more advisers to the various company matters, and the board shall determine their remuneration. The term of office of the President, Vice-President, Managing Director, and Secretary shall not exceed the term of their respective members on the Council and may be re-elected, and the Council at any time dismiss them or any of them without prejudice to the right to compensation if the dismissal occurs for an unlawful reason or in an inappropriate time.</p>	<p>Managing Director, may not combine the position of Chairman with any executive position of the company, and the Chairman shall be entitled to sign the company and implement the board's decisions. The Chairman of the Board of Directors is responsible for representing the company before the courts, arbitration, and other bodies, and the Chairman of the Board may, by written decision, delegate some of his powers to other members of the board or others to engage in specific work or work. The board shall determine the salaries, allowances, and emoluments of the President of the Board and the assigned member in accordance with article 19 of the Regulations. The Governing Council must appoint a Secretary to the Council's House. The board may also appoint one or more advisers to the various company matters and the board shall determine their remuneration. The term of office of the President, Vice-President, Managing Director, and Secretary of the Board shall not exceed the term of their respective members on the board and maybe re-elected and, at any time, dismissed by them or any of them without prejudice to the right to be isolated in compensation if the dismissal occurs for an unlawful reason or in an inappropriate time.</p>	<p><b>Managing Director and Secretary</b></p>
<p><b>The Council shall meet at the invitation of its President,</b> and the President of the Council shall convene when requested by two members, and the invitation shall be in the manner the Council considers. Meetings of the Council shall be held periodically and as needed, with a minimum of (4) annual meetings of the Council, with at least one meeting every three months.</p>	<p>The board shall meet at the President of the Company at the invitation of its President, and the President of the Board shall convene when requested by two members, and the invitation shall be documented in such manner as the board considers. Meetings of the Council shall be held periodically and as needed, with a minimum of (4) annual meetings of the Council, with at least one meeting every three months.</p>	<p><b>Article (21) Meetings of the Council</b></p>

<p>1. The meeting of the Council shall be valid only if it is attended by four, provided that the number of members present is not less than ( at least three).</p> <p>If the conditions for convening the Governing Council are not met because of the lack of a minimum number of its members, the remaining members shall convene the regular General Assembly within sixty days; To select the necessary number of members.</p> <p>The General Assembly may be convened by a decision of the Financial Market Authority if the number of members of the Governing Council falls below the minimum level of validity.</p> <p>4. A member of the board may not be invited to attend the meeting. Except for this, a board member may be dissuaded from other members.</p> <p>5. decisions of the Council shall be issued by a majority of the views of the members present or represented therein, and, when the opinions are equal, the side with which the President of the meeting has voted shall be likely.</p> <p>The Governing Council may issue decisions on urgent matters by submitting them to separate members unless a member requests, in writing, a meeting of the board for deliberation. In this case, these decisions are presented to the Governing Council at its first subsequent meeting.</p>	<p>The meeting of the Council shall be valid only if it is attended by five members themselves or by a member of the Council, provided that the number of members present themselves shall be at least (four) members, including an independent member. A member may also be represented by another member in the presence of and voting in the meetings of the Council.</p> <p>Decisions of the Council shall be taken by a majority of the members' views present or represented therein, and when the opinions are equal, the side with which the President of the meeting has voted shall be likely. The Governing Council may issue decisions on urgent matters by submitting them to separate members unless a member requests a meeting of the board for deliberation. In this case, these decisions are presented to the Governing Council at its first subsequent meeting.</p>	<p><b>Article (22) Quorum</b></p>
<p><b>Article XXIV: Conventions and contracts:</b></p> <p>1. after obtaining a non-objection from the Central Bank of Saudi Arabia, the company may conclude an agreement for the management of technical services with one or more qualified companies in the insurance field.</p> <p>2. A member of the Board of Directors may have no direct or indirect interest in the works and contracts for the company's account except with the authorization of the ordinary General</p>	<p>After obtaining a non-objection from the Saudi Arabian Monetary Agency, the company is entitled to conclude an agreement for managing technical services with one or more qualified companies in the insurance field. Members of the Council may not sign insurance contracts with the company for which they have an interest. The Chairman of the Board provides the General Assembly with details of that Insurance contracts. The board member must report to the board his or</p>	<p><b>Article (24) Agreements and contracts</b></p>

Assembly, and a member of the board shall inform the board of his or her interest directly or indirectly in the works and contracts for the company. This communication shall be established in the record of the meeting.

3. this member shall not participate in the voting on the decision in this regard by the Board of Directors and the shareholders' associations.

The Chairman shall report to the General Assembly at the time of its meeting on work and contracts in which a member of the board has a direct or indirect interest, and the communication shall be accompanied by a special report from the Auditor of the External Company.

If a Board member fails to disclose its interest, the company or all in its interest may claim to the jurisdiction competent to invalidate the contract or require the member to make any profit or benefit that it has verified.

6. the damages resulting from the acts and contracts referred to in paragraph (1) of this article shall be the responsibility of the relevant member of the business or contract, as well as of the members of the Governing Council if such acts or contracts are performed in contravention of the provisions of that paragraph or are found to be unfair, Or it involves conflict of interest and damage to shareholders.

7. Members of the Governing Council who oppose the resolution are exempt from liability when they have made their objection explicitly in the minutes of the meeting, and the absence from attending the meeting at which the decision is made is no reason to exempt from liability unless it is established that the absent member has not been aware of the decision or has not been able to object to it.

8. a member of the board may not participate in any business that would compete with the company or compete with the company in one of the branches of the activity it is engaged in; Otherwise,

her immediate or indirect interest in the work and contracts on behalf of the company. This communication shall be established in the minutes of the meeting. This member shall not participate in the voting on the decision to be taken in this regard by the Governing Council and the societies of contributors. The Chairman of the Board shall inform the General Assembly when it is taking the place of work and contracts in which a member of the board has a direct or indirect interest, and the communication shall be accompanied by a special report from the Auditor of the External Company. Suppose a Board member fails to disclose its interest. In that case, the company or all in its interest may claim before the competent judicial authority to invalidate the contract or require the member to perform any profit or benefit that it has obtained.

<p>the company would have required it to the appropriate compensation jurisdiction, unless it had obtained a prior license from the General Assembly - renewed every year - to do so.</p>		
<p>1.the constituent General Assembly is a correct composition that represents all shareholders and is held in the city where the company's main center is located. Every contributor, no matter how many shares they have, has the right to attend the General Assemblies of contributors and assign him or her to any other person who is not a member of the Board of Directors or workers of the company presentation of the General Assembly. The meetings of the shareholders' public associations, the participation of the shareholders in their deliberations, and the voting on their decisions by means of modern technology may be held according to the regulations set by the Financial Market Authority.</p>	<p>The constituent General Assembly is a correct composition representing all shareholders and is held in the city where the company's main center is located. Any contributor, whatever the number of shares, has the right to attend the general associations of shareholders. It may be assigned to another person who is not a member of the board's directors or workers of the company in the presence of the General Assembly. The meetings of the General Assemblies of shareholders, the contributor participation in their deliberations, and voting on their decisions through modern technology may be held according to the regulations established by the competent authority.</p>	<p><b>Article (25) Attendance of associations</b></p>
<p>1.the founders call upon all the offices to hold a constituent assembly within 45 days of closing the subscription, with a minimum period of time between the date of the invitation and the date of the session of ten days. 2.every person who has contributed shall have the right to attend the Constituent Assembly. For the health of the meeting, several offices representing at least (half) capital are required to attend. If this quorum is not available, a second meeting shall be convened at least fifteen days after the invitation. However, the second meeting may be held one hour after the end of the first meeting, and the convening of the first meeting should include the indication that such a meeting may be held. The second meeting</p>	<p>The founders call on all the offices to convene a Constituent Assembly within 45 days of the closing date of the subscription to the shares and for each of the offices - whatever the number of shares - the right to attend the Constituent Assembly. For the health of the meeting, several offices representing at least (half) capital are required to attend. If this quorum is not available, a second meeting shall be convened at least fifteen days after the invitation. However, the second meeting may be held one hour after the end of the first meeting, and the convening of the first meeting should include the indication that such a meeting may be held. The second meeting shall be valid in any event, whatever the number of offices represented.</p>	<p><b>Article (26) The Constituent Assembly</b></p>

<p>shall be valid in any event, whatever the number of offices represented.</p>		
<p>The Constituent Assembly shall be competent to:</p> <p>1-Check the underwriting of all shares of the company and meet the minimum capital and the amount due <b>in the value of the shares following the rules of the system.</b></p> <p><b>2-deliberation in the assessment report in kind.</b></p> <p>The final texts of the company's foundation system shall be approved, with substantial modifications to the system before it, except with the consent of all the offices represented therein.</p> <p>4-Appointment of members of the first Board of Directors of the Company for a period <b>not exceeding (5) five years and the first Auditor</b> if they have not been appointed to the company's founding contract or base system.</p> <p>5-deliberation in the reports of the founders on the business and expenses required for the establishment and approval of the company, <b>the Ministry of Trade and Investment, and the Financial Market Authority may send one (or more) delegates as observers to attend the company's constituent assembly; To ensure that the system's provisions apply.</b></p>	<p>The Constituent Assembly shall be competent to:</p> <p>1-Check the underwriting of the company's shares and meet the minimum capital and the amount due for the value of the claims.</p> <p>2. The final texts approval of the company's base system, with substantial modifications to the system before it, except with the consent of all the offices represented therein.</p> <p>3-Appointment of members of the first Board of Directors of the Company for a period not exceeding (3) three years if they have not been appointed to the company's founding contract or base system.</p> <p>4-the hired auditors determine their fees if they are not assigned to the company's establishment contract.</p> <p>5-to deal in the reports of the founders on the business and expenses required by the establishment and approval of the company.</p>	<p><b>Article (27)</b>  <b>Terms of reference of the Constituent Assembly</b></p>
<p>Except for matters of special competence to the General Assembly, the General Assembly shall have jurisdiction over all matters relating to the company and shall meet at least once a year within the six months following the end of the company's financial year. Other ordinary public associations may be invited to meet as needed.</p>	<p>Except for matters of special competence to the General Assembly, the General Assembly shall have jurisdiction over all matters relating to the company and shall meet at least once a year within the six months following the end of the company's financial year. Other ordinary public associations</p>	<p><b>Article (28)</b>  <b>Terms of reference of the General Assembly</b></p>

	<p>may be invited to meet as needed. One of the standard terms of reference of the General Assembly is the composition and determination of the terms of reference of the Review Committee.</p>	
<p>The Governing Council shall convene 1. the general or private shareholders' associations and the Governing Council shall convene the regular General Assembly if the Auditor, audit committee, or several shareholders represent at least (5%) of the capital so require. The Auditor may convene the assembly if the board does not invite the assembly within (30) days of the date of the request of the Auditor.</p> <p>2. by a decision of the Financial Market Authority, the General Assembly may convene in the following cases:</p> <ul style="list-style-type: none"> <li>A. The duration of the meeting (within the six months following the end of the company's financial year) has passed without it being held.</li> <li>B. If the number of the Governing Council members falls below the minimum level of validity.</li> <li>C. If there are found to be irregularities in the system or the underlying company system, or a failure to manage the company</li> </ul> <p>If the Council does not convene the General Assembly within 15 days of the request of the Auditor, the Audit Committee, or some of contributors representing at least 5% of the capital. A number of shareholders representing at least 86% of the capital may apply to the Financial Market Authority to convene the regular General Assembly if any of the cases provided for in paragraph (2) of this article are available. The Financial Market Authority shall convene within thirty days from the date of submission of the shareholder's application, provided that the</p>	<p>The Board of Directors shall convene the general or private shareholders' associations, and the board shall convene the ordinary General Assembly if the Auditor, the Audit Committee, or several contributors, representing at least (5%) of the capital, so require. The Auditor may convene the assembly if the board does not invite the assembly within (30) days of the date of the Auditor's request.</p> <p>This invitation shall be published in a newspaper distributed in the area where the leading company is located at least ten days in advance, and a copy of the invitation and the agenda shall be sent to the Financial Market Authority. A copy of the invitation and agenda is sent to the Financial Market Authority within the time limit for publication.</p>	<p><b>Article (30)</b> <b>Inviting</b> <b>associations</b></p>

<p>invitation shall include a schedule of the work of the assembly and the items to be approved by the shareholders.</p> <p>3.this invitation and agenda are published in a daily newspaper distributed in the area where the main company center is located at least 21 days in advance, and a copy of the invitation and agenda is sent to the Ministry of Trade and Investment, and a picture is sent to the Financial Market Authority. However, all contributors may be invited only on time with registered letters. A copy of the invitation and agenda is sent to the Financial Market Authority within the time limit for publication.</p>		
<p>1.the regular General Assembly is only valid if shareholders representing at least one-quarter of the company's capital attend. Suppose there is no quorum for the regular meeting of the assembly in accordance with paragraph (1) of this rule. In that case, a second meeting is convened within the 30 days following the previous meeting. Such an invitation shall be published in the manner provided for in rule 30 of these rules. However, the second meeting may be held one hour after the expiration of the first meeting, provided that the convening of the first meeting includes the indication that such a meeting may be convened. The second meeting is correct in any event, whatever the number of shares represented.</p>	<p>The regular General Assembly is valid only if shareholders representing (at least one quarter) of the company's capital attend, and if this quorum is not available at the first meeting, a second meeting is convened within the 30 days following the previous meeting. Such an invitation shall be published in the manner provided for in rule 30 of these rules. However, the second meeting may be held one hour after the expiration of the first meeting, provided that the convening of the first meeting includes the indication that such a meeting may be convened. The second meeting shall be valid in any event, whatever the number of shares represented therein. According to the regulations established by the competent authority, the regular meetings of the General Assembly of contributors, the participation of the contributor in their deliberations, and the voting on their decisions by means of modern technology may take place.</p>	<p><b>Article (32) Quorum of the regular meeting of the General Assembly</b></p>

<p>The extraordinary session of the General Assembly is valid only if it is attended by shareholders representing at least (half) the capital of the company.</p> <p>Suppose the extraordinary meeting of the General Assembly is not convened in accordance with paragraph (1) of this rule. In that case, a second meeting shall be assembled with the same conditions provided in rule 30 of these rules. The second meeting may be held one hour after the end of the first meeting, provided that the convening of the first meeting includes a declaration of the possibility of such a meeting and, in any event, the second meeting is valid if it is attended by several contributors representing at least one quarter of the capital.</p> <p>Suppose the required quorum is not available at the second meeting. In that case, a third meeting shall be convened in the same conditions as that provided for in article 30 of the present Regulations, and the third meeting shall be valid, whatever the number of shares represented therein, after the approval of the Financial Market Authority.</p>	<p>The extraordinary session of the General Assembly is valid only if shareholders representing at least (half) the company's capital are present and if a quorum is not available at the first meeting, a second meeting is invited, in the same conditions as that provided for in article (30) of the Regulations. The second meeting may be held one hour after the end of the first meeting, provided that the convening of the first meeting includes a declaration of the possibility of such a meeting and, in any event, the second meeting is valid if it is attended by several contributors representing at least one-quarter of the capital. Suppose the required quorum is not available at the second meeting. In that case, a third meeting is invited to meet in the same conditions as article (30) of this Regulation, and the third meeting shall be valid, whatever the number of shares represented therein, after the competent authority. The extraordinary meetings of the General Assembly may be held for contributors, participants in its deliberations, and voting on its decisions through modern technology in accordance with the regulations established by the competent authority.</p>	<p><b>Article (33) Quorum of the extraordinary meeting of the General Assembly</b></p>
<p>The General Assembly shall appoint auditors (or more) of those authorized to work in the Kingdom, shall determine their remuneration and duration of work, and may re-appoint them, with the total duration of their appointment not to exceed five consecutive years; Those who have exhausted this period may not be re-appointed two years after its expiry date, and the General Assembly may also at any time change them without prejudice to</p>	<p>The General Assembly must appoint (or more) auditors from among those authorized to work in the Kingdom, determine their remuneration and duration of work, and may re-appoint them. The assembly may also, at any time, change them without prejudice to their right to compensation if the change occurs at an inappropriate time or for an unlawful reason.</p>	<p><b>Article (39) Appointment of the Auditor</b></p>

<p>their right to compensation if the change takes place in an inappropriate time or for an unlawful reason.</p>		
<p>The Auditor shall submit to the annual General Assembly a report prepared in accordance with the standard of review, which shall be guaranteed by the management position of the company to enable it to obtain the data and clarifications it has requested and to disclose violations of the provisions of the Cooperative Insurance Control System and its implementing Regulations, measures, systems, and other relevant Regulations of <b>The foundation company and</b> its opinion on the fairness of the company's financial statements. The Auditor will recite his/her report in the General Assembly. Should the assembly decide to approve the board's report and the financial statements without hearing the Auditor's report, its decision would be invalid.</p>	<p>The Auditor shall submit to the annual General Assembly a report prepared in accordance with the standard of review, which shall be guaranteed by the management position of the company to enable it to obtain the data and clarifications it has requested and to disclose a violation of the provisions of the Cooperative Insurance Control System and its implementing regulations, regulations and other relevant instructions and opinions In the fairness of a company's balance sheet. The Auditor will read its report in the General Assembly. Should the assembly decide to approve the board's report and the financial statements without hearing the Auditor's report, its decision would be invalid.</p>	<p><b>Article (41) Obligations of the Auditor</b></p>
<p>At the end of each financial year, the board must prepare the balance sheets (and the balance sheets are made up of the list of the financial center of the insurance operations and shareholders, the list of surplus(s) of insurance operations, the list of shareholders' income, the list of shareholders' equity, the list of cash flows of insurance operations and the list of shareholders' cash flows). A report on the company's activity and financial status for the financial year in question, including the way it proposes to distribute profits, and the board makes these documents available to the Auditor at least 45 days before the General Assembly. The documents mentioned in paragraph (1) must be signed by the Chairman, the Executive Chairman, and the Financial Director, and</p>	<p>At the end of each financial year, the board must prepare the balance sheets (and the balance sheets are made up of the list of the financial center of the insurance operations and shareholders, the list of surplus(s) of insurance operations, the list of shareholders' income, the list of shareholders' equity, the list of cash flows of insurance operations and the list of shareholders' cash flows). A report on the company's activity and financial status for the financial year in question, including how it proposes to distribute profits, and the board makes these documents available to the Auditor at least 45 days before the General Assembly.</p>	<p><b>Article (43) Financial documentation</b></p>

<p>copies of them shall be placed at the main center of the company at the disposal of the shareholders, at least 21 days before the date fixed for the General Assembly. ·</p> <p>3-the Chairman of the Board of Directors shall provide shareholders with the company's financial lists, the board's report, and the Auditor's report unless published in a daily newspaper distributed in the company's main center, and shall also send a copy of these documents to the Ministry of Trade and Investment and the Financial Market Authority before the regular General Assembly.15 At least 15 days.</p>	<p>The documents mentioned in paragraph (1) must be signed by the Chairman, the Executive Chairman, and the Financial Director, and copies of them shall be placed at the main center of the company at the disposal of the shareholders, at least ten days before the date fixed for the General Assembly. ·</p> <p>The Chairman of the Board of Directors shall provide shareholders with the financial lists of the company, the Board of Director's report, and the Auditor's report unless published in a daily newspaper distributed in the main center of the company, and a copy of these documents shall be sent to the Financial Market Authority 15 days before the regular General Assembly Least.</p>	
<p>The company must:</p> <ol style="list-style-type: none"> <li>1- Avoiding Zakat and the prescribed income tax is a system.</li> <li>2- To avoid 20% of net profits as a regular reserve, and the General Assembly may suspend such avoidance when the total reserve (100%) of the paid capital is reached.</li> <li>3- The General Assembly may, in determining the share of net profits, decide to form other reserves to the extent that it is in the interest of the company or that it ensures that the shares are distributed as consistently as possible to shareholders.</li> <li>4- The company's annual net profit is distributed after deducting all public expenses and other costs, forming the reserves necessary to face the doubtful debts, the losses of investments, and the emergency obligations that the board considers necessary in accordance with the provisions of the cooperative insurance company control system and the provisions issued by the Central Bank of</li> </ol>	<p>The company must:</p> <ol style="list-style-type: none"> <li>1- Avoid Zakat and the prescribed income tax.</li> <li>2- Avoid (20%) net profits to be a regular reserve, and the General Assembly may suspend such an avoidance once the total budget (100%) of the paid capital has been reached.</li> </ol> <p>The General Assembly may, in determining the share of net profits, decide to form other reserves, to the extent that it is in the interest of the company or that it ensures that the shares are distributed as consistently as possible to shareholders</p>	<p><b>Article (45) Zakat and Reserve</b></p>

<p>Saudi Arabia. The rest of the profits after deducting the reserves established under the relevant regulations and the Zakat shall be allocated at least 5% - of the capital paid for shareholders distribution, as proposed by the Governing Council and decided by the General Assembly. Suppose the remaining portion of the dividends owed to shareholders is insufficient to pay this proportion. In that case, shareholders may not claim it for the year or years to come, and the General Assembly may not decide to distribute a higher proportion of the profits than the Governing Council has proposed.</p>		
<p>The contributor shall be entitled to its share of profits in accordance with the General Assembly resolution in this regard, and the decision shall indicate the due date and the date of distribution. The profit entitlement is for the owners of the shares registered in the shareholder's records at the end of the scheduled day. The company shall inform the Financial Market Authority without delay of any decisions to distribute or recommend the profits and pay the dividends to be distributed to the shareholders in the place and the dates set by the Board of Directors, in accordance with the instructions issued by the competent authority, subject to the prior written approval of the Central Bank of Saudi Arabia.</p>	<p>The contributor shall be entitled to its share of profits under the General Assembly resolution in this regard, and the decision shall indicate the due date and the date of distribution. The profit entitlement is for the owners of the shares registered in the shareholder's records at the end of the scheduled day. The company shall inform the Financial Market Authority without delay in distributing or recommending profits. It shall pay dividends to shareholders in the place and the dates set by the Board of Directors, in accordance with the instructions issued by the competent authority, subject to the prior written approval of the Saudi Arabian Monetary Corporation.</p>	<p><b>Article (46) Revenue due</b></p>
<p>1. Members of the Board of Directors shall be liable in solidarity for compensation to the company, shareholders, or others for damage caused by their misconduct or breach of the provisions of the Cooperative Insurance Control System, its</p>	<p>The members of the board shall be liable in solidarity for compensation of the company, its shareholders, or others for damage caused by their misconduct or violation of the provisions of the Cooperative Insurance Control System and</p>	<p><b>Article (49) The responsibility of the</b></p>

implementing regulations, regulations, other relevant regulations, and regulations, and this system, and any provision otherwise shall be deemed to have been non-such. The responsibility lies with all members of the board if the error arises from a decision unanimously made. Decisions adopted by a majority of the views shall not be asked by the opposing members when they have made their objections expressly in the record of the meeting. Absence from attending the meeting at which the decision is made is no reason to exempt responsibility unless the absent member is proved to be unaware of the decision or cannot object to it after learning it.

2. The formal approval of the General Assembly to discharge the members of the Governing Council shall not preclude the establishment of a liability suit.
3. A claim of responsibility shall not be heard three years after the date of the discovery of the wrongful act. Except in cases of fraud and fraud, the claim of responsibility is not always heard five (5) years after the expiration of the financial year in which the adverse act occurred or (3) three years after the expiry of the membership of the respective Board member, whichever is later.
4. Each contributor has the right to bring the company's liability claim to the board members if the mistake made by them would cause its own harm. The shareholder can only obtain the action if the company's right to file it is still in place. The contributor must inform the company of its intention to bring the proceedings, with its right limited to seeking compensation for the special damage suffered.
5. The following expenses incurred by the contributor to institute proceedings, regardless of the outcome, may not be charged under the following conditions:
  - A. If the case is brought in good faith.

its implementing Regulations, regulations, and other relevant instructions, and any provision otherwise required was no longer. The responsibility lies with all board members if the error arises from a decision unanimously made. Decisions adopted by a majority of the views shall not be asked by the opposing members when they have made their objections expressly in the record of the meeting. Absence from attending the meeting at which the decision is made is no reason to exempt responsibility unless the absent member is proved to be unaware of the decision or cannot object to it after learning it. The approval by the regular General Assembly of discharge by members of the Governing Council is not precluded from bringing a claim of responsibility. The claim of responsibility is not heard three years after the date of the discovery of the wrongful act. Except in cases of fraud and fraud, the claim of responsibility is not always heard five (5) years after the expiration of the financial year in which the adverse action occurred or (3) three years after the expiry of the membership of the respective Board member, whichever is later. Each contributor has the right to bring the company's liability claim to the board members if the mistake made by them would cause its own harm. The shareholder can only get the action if the company's right to file it is still in place. The contributor must inform the company of its intention to bring the proceedings, with its right limited to seeking compensation for the special damage suffered.

**members of  
the Board**

<p>B. If the company was provided with the suit reason and has not received a response within thirty days.</p> <p>C. It is in the company's interest to institute such proceedings based on Article 76 of the corporate system.</p> <p>D. the case should be based on a valid basis</p>		
<p>1. once a company has been in liquidation, it shall enter the liquidation role and retain the necessary legal personality to the extent necessary for liquidation. The decision to opt-out of partners or the General Assembly is issued.</p> <p>3. the liquidation decision shall include the appointment of the filter, the determination of its powers and its fees, the restrictions on its management and the time required for liquidation, the duration of the optional liquidation period shall not exceed five years, and may not be extended further except by judicial order. The authority of the company's board of directors shall terminate; however, the members of the board shall remain in the company's management and shall prepare for others in the judgment of the two designators until the designator has appointed and the board of the company during the liquidation period their terms of reference, which shall not conflict with the competence of the liquidator. The liquidation shall consider the preservation of the right of the participants to surplus insurance operations and the precautions made as provided for in articles 44 and 45 of these Regulations.</p>	<p>Once the company has established a liquidation role, retains the necessary legal personality to liquidate it, and issues the decision of optional liquidation from the Financial Market Authority. The liquidation decision shall include the appointment of the filter, the determination of its powers and its fees, the restrictions on its powers and the period of time required for liquidation, the duration of the optional liquidation period shall not exceed five years, and may not be extended further except by judicial order. The authority of the company board of directors shall terminate; however, these shall remain in the company's management and shall be prepared for others in the judgment of the two designators until the designator has been appointed and the company's board shall remain within the liquidation period of their terms of reference, which shall not conflict with the competence of the liquidator. The liquidation shall consider the preservation of the right of the participants to surplus insurance operations and the precautions made as provided for in articles 44 and 45 of these Regulations.</p>	<p><b>Article (50) Company Elapsed</b></p>

The foundation system

Safety Co-operative Insurance Company

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## Regulation of the Governance



Saudi joint-stock company

## Regulation of the Governance of SALAMA for Cooperative Insurance

The Regulation and amendments were approved by the Board of Directors of Salama Cooperative Insurance Company No. T/24/2020 - 16/12/2020 and adopted by the General Assembly resolution of **\*\*/\*\* AD.**

- As amended by General Assembly resolution 19/6/2016
- As amended by General Assembly resolution **00/00/00**



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## Regulation of the Governance of SALAMA for Cooperative Insurance

### Part one: Introductory provisions

#### Article 1: Preliminary

The rules of governance of SALAMA for cooperative insurance, a Saudi joint-stock company, were prepared following the requirements of the article (2) paragraph (c) of the Saudi Arabia Corporate Governance Regulation issued by the Board of the Financial Market Authority and following the requirements of the Saudi Central Bank's Insurance Governance Regulation and following the Corporate Regulations issued by the Ministry of Commerce, the Registration and inclusion Rules, the Securities Exchange Rules and the ongoing obligations of the Board of the Market Authority Financial, and the Salama Co-operative Insurance Regulations.

#### Article 2: Definitions

The words and phrases in this Regulation indicate the meanings described in the system, the list of terms used in the Financial Market Authority Regulations, and the Saudi Central Bank Insurance Governance Regulation. To apply the Salamah Governance Regulation terms, the words and phrases below are intended to indicate the meanings before each of them unless otherwise provided in the text context.

**Company:** Salama Cooperative Insurance Company

**Authority:** The Financial Market Authority.

**Bank:** Saudi Central Bank.

**Board:** Board of Directors of the Company, which is recognized under regulations in force in Saudi Arabia

**Leadership positions:** it includes members of the Directors Board and Senior Management.

**Senior shareholders:** Normal or legal persons who, directly or indirectly, individually or in association control with others, hold five percent or more of the company's capital.

**Chairman of the Board:** One of the non-executive members of the Board elected by the Board to chair its meetings and organize its work.

**Board Member Non-Executive:** The board Member is not a full-time management member of the company or does not receive a monthly or annual salary.

**Member of the Executive Board:** Member of the Board of Directors who is a member of the company's executive management. Participates in the company's management daily and receives a monthly salary in return.

**Member of the Board of Directors:** A fully independent board member. This means independence

, with the complete independence of management and the company. Independence means the ability to judge matters after all relevant information is taken into account without any influence from management or third parties.

The independence of a board member shall not be achieved in, but not limited to, the following cases:

1. Be a significant shareholder in the company or a related company, be a representative of a senior shareholder, or work for him or her.
2. Be a member of the Board of directors of a related company or any subsidiary of it that has held such a position during the last two years.
3. Be a member of the company's Board of directors for more than nine years.

4. Has held a position in the company's senior management, in the management of a related company, senior shareholder, or a position in it in the last two years.
5. To be employed in the company, a related company, employs him or her, or a company that provides services to the company (such as the Comptroller, consulting offices, etc.) or has been previously employed by one of these parties during the last two years.
6. Be relevant to a board member, senior management of the company, or a related company.
7. Having a contractual or commercial relationship with the company (whether directly or through a significant shareholder, board member, or director), resulting in payment or receipt of compensation from the Company equal to SAR 250,000 (Other than the amounts relating to insurance contracts and the remuneration that a member deserves for his or her board membership) during the last two years.
8. Have a financial commitment to the company or any of its board members or senior management that can affect its ability to govern and make decisions with complete independence.

The independence of a member of the Governing Council is also withdrawn in cases other than those mentioned above when the Committee on nominations and bonuses considers otherwise.

**CEO:** The top executive in the company, responsible for the company's day-to-day management, regardless of job title.

**Senior Management:** Includes Managing Director, CEO, General Manager, Deputy Director, Finance Manager, Head of Department, risk Management, Internal

Review and Compliance, who is in their judgment, and the incumbent of any other positions determined by the Central Bank of Saudi Arabia.

**Related Company:** Any company (or company from a group of companies that the Central Bank of Saudi Arabia may prepare one unit) that owns five percent or more of the capital of the insurance and/or reinsurance company, or company that owns the insurance and/or reinsurance company (Alone or in association with a group of companies that the Central Bank of Saudi Arabia may prepare one unit), five percent or more of its capital.

**Cumulative Voting:** The voting method for selecting board members gives each contributor a voting capacity of the number of shares they hold; It shall have the right to vote for one candidate or divide one candidate among those of its choice without any repetition votes. This method increases the opportunities for minority shareholders to be represented on the Board by cumulative ballots for one candidate.

**Stakeholders:** Persons or parties interested in what the company does, including shareholders, insurers, claimants, employees of the company, insurers, regulators, supervisors, and the community.

**Minority holding:** Shareholders are shareholders who represent a group that is not in control of the company to not influence it or its decisions.

**Relevant:** The family members of the father, mother, husband, wife, and children, or those with a business relationship that would influence decision-making, and any of the institutions where any member of the Board has more than 5%.

**First-degree relatives:** Father, mother, husband, wife, and children

### Article 3: Objectives of the Governance Regulation

The purpose of this Regulation is to establish a practical legal framework for corporate governance, with the aim in particular to the following:

1. Activate the role of shareholders in the company and facilitate the exercise of their rights.
2. Statement of the terms of reference and responsibilities of the Governing Council and the Executive Administration.
3. Activate the role of the Board and committees and develop their efficiency to strengthen the decision-making mechanisms of the company.
4. The clarity, integrity, and equity in the financial market, its transactions, and the business environment and enhance disclosure.
5. Provide effective and balanced tools for dealing with conflict of interest situations.
6. Strengthen oversight and accountability mechanisms for corporate employees.
7. Develop the general framework for dealing with stakeholders and taking into account their rights.
8. Increase the efficiency of corporate supervision and provide the necessary bonuses.
9. Educate companies on the concept of professional behavior and encourage them to adopt it and develop it to suit its nature.

#### **Article 4: Principles of governance**

##### **1) Accountability:**

- A. To ensure that the interests of stakeholders and shareholders are enhanced and taken into account, the Board of Directors has the right to be accountable to senior management, shareholders, and other stakeholders through relevant internal systems and policies.
- B. The ultimate responsibility for the performance, behavior, and firm's systemic commitment lies with the Board of directors, and delegation of authority to board committees or senior management does not relieve the Board of any of

its responsibilities. The Board is responsible for the performance of other parties contracted to perform certain functions or manage certain functions, and in all cases. The Governing Council may not issue a general or indefinite authorization.

- 2) **Justice:** In the company's internal policy, the company demonstrates the procedures necessary to ensure that all shareholders exercise their rights in a way that guarantees equality and justice between them by not discriminating between shareholders who own the same category of shares and by not withholding any right from them.
  
- 3) **Clarity and disclosure:** The Company confirms its commitment to the times and accuracy of disclosure of all information relating to its performance, financial status, and ownership structure, as well as other details imposed by the relevant regulations and regulations. This includes substantial developments in the company's business through specific disclosure channels that enable stakeholders, the public, and regulators to easily access and that the information disclosed is comprehensive, understandable, relevant, consistent, reliable, and available For the audience at the right time.
  
- 4) **Suitability and suitable people:**
  - A. Members of the Board of Directors, members of its committees, and members of senior management must have the necessary knowledge, competence, integrity, and experience to perform their functions and must comply with all regulations and instructions issued by the Central Bank of Saudi Arabia at all times. In particular, the appointment

requirements for leadership positions in financial institutions under the supervision of the Central Bank of Saudi Arabia.

- B. The company's candidate and reward policy must include strict standards and formalized procedures for monitoring and evaluating the suitability and relevance of board members, committees, and senior management members on an ongoing basis.

- 5) **Independence:** The corporate governance structure must support a high level of autonomy in corporate decision-making that can be achieved, for example: By separating the duties of the Board and management, enhancing the independence of oversight functions, and avoiding the risks of conflict of interest.

## Part two: Shareholders' rights

### Article 5: Fair treatment of shareholders

- A. The Board of Directors is committed to protecting shareholders' rights in a manner that guarantees justice and equality between them.
- B. The Board of Directors and the company's executive management shall not discriminate between shareholders who own the same class of shares and shall not withhold any right from them.
- C. In its internal policy, the company outlines the procedures necessary to ensure that all shareholders exercise their rights.

### Article 6: Equity-related rights

The contributor shall have all rights relating to the contribution, in particular:

- A. Obtain its share of the net profits to be distributed in cash or by issuing shares.
- B. Obtain its share of the firm's assets when liquidation.

- C. Attend the public or private shareholders' associations, participation in their deliberations, and Voting on their decisions.
- D. Dispose of its shares in accordance with the provisions of the corporate system and the financial market system, and their implementing regulations.
- E. Ask and request for information on the company's books and documents, including data and information on the company's activity, operational, and investment strategy to the detriment of the company's interests and not in conflict with the company's corporate system, financial market system, and executive regulations.
- F. Monitor the performance of the company and the work of the Board of directors.
- G. To hold board members accountable and bring a claim of responsibility in facing them and challenge the invalidity of public and private shareholders' decisions according to the conditions and limitations of the company's corporate system and foundation system.
- H. Priority of new equity underwriting in exchange for cash shares, unless the extraordinary General Assembly ceases to act as a priority - if provided in the company's base system - in accordance with Article 40 of the corporate functions.
- I. Restrict his or her shares in the company's Shareholder History.
- J. Request a copy of the company's founding contract and base system unless published by the company on its website.
- K. Nominate and election of members of the Governing Council.

## Article 7: Access to information by the contributor

- A. The Board of Directors is committed to providing complete, transparent, correct, and unmisleading information to enable the contributor to exercise

its rights to the fullest. It provides this information on time and is regularly updated.

- B. The means of providing information to the contributor must be clear and detailed, include a statement of the company information that the contributor has been able to obtain, and be made available to the general public.
- C. The most effective means of communicating with stakeholders and not differentiating between them in providing information should be followed.

### Article 8: Communication with shareholders

- A. The Board ensures that the company and its shareholders communicate with each other based on a shared understanding of its strategic objectives and interests.
- B. The Chairman and the CEO will keep the rest of the Board informed and discuss the shareholders' views.
- C. No Member shall interfere with the work of the Board or the executive management of the Company unless he or she is a member of its Board of Directors or its executive management or has intervened through the ordinary General Assembly and in accordance with its terms of reference or within the limits and conditions permitted by the Board of Directors.

### Article 9: Election of members of the Governing Council

- A. The company shall make available on the website information on candidates for Board membership when publishing or inviting the General Assembly, including a description of candidates' experiences, qualifications, skills, jobs, past, and current membership, and shall provide a copy of this information at its President's Center and website.

- B. Cumulative Voting must be used in the election of the Governing Council so that the right to vote for the share may not be used more than once.
- C. Voting in the General Assembly shall be restricted to candidates for board members whose information has been disclosed by the company in accordance with paragraph (a) of this article.

### Article 10: Acquisition of profits

- A. The company's base system shows the proportion of net profit distributed to shareholders after the regular reserve and other reserves have been set off.
- B. The Board of directors should establish a clear policy on the distribution of dividends in the interest of shareholders and the company in accordance with the company's underlying system.
- C. The contributor shall be entitled to its share of profits in accordance with the General Assembly resolution on the distribution of dividends to shareholders, the Governing Council's decision to distribute dividends. The decision shall indicate the due date and the date of issuance. It shall implement the decision as provided for in the regulations and procedures issued in the implementation of the corporate system of the listed contributors.

## Part three: Rights relating to the General Assembly

### Article 11: Preamble

The General Assemblies of shareholders shall be competent in all matters relating to the company. In accordance with the Organization's procedures, the General Assembly shall represent all contributors in the exercise of their respective responsibilities to the company. It shall perform its role in accordance with the provisions of the Company Regulations and Regulations and the Company's Regulations.

## Article XII: The extraordinary terms of reference of the General Assembly

The General Assembly shall have the following special competence:

- A. Modification of the company's base system, except for changes deemed void under the terms of the company's strategy.
- B. Increase the company's capital according to the established conditions in the company system and the executive regulations.
- C. Reduce the company's capital if the company's need is increased or financial losses occur in accordance with established corporate regulations and regulations.
- D. A Corporate stand-by capacity report provided by its base system and is intended for a particular purpose and is to be acted upon.
- E. Decide whether the company will continue or resolve before the deadline set in its base system.
- F. The approval of the company's stock purchases.
- G. The issue, approve or purchase outstanding shares, convert ordinary shares into premium shares or convert blue chips to normal, based on text in the company's base system and in accordance with the regulations and procedures issued in implementation of the corporate strategy of listed shareholding companies.
- H. Issue debt instruments or convertible financial instruments, indicating the maximum number of shares that may be issued against such instruments or instruments.
- I. Allocation of shares issued if capital is increased or partially for employees of the firm and its affiliates or some of them.
- J. To suspend the right of priority for shareholders to subscribe by increasing the capital in exchange for cash shares or giving priority to non-shareholders in cases deemed appropriate for the company's benefit if provided in the company's base system.

- K. The extraordinary General Assembly may issue decisions within the regular terms of reference of the General Assembly to be issued in accordance with the requirements for the issuance of the regular General Assembly resolutions set by an absolute majority of the contributions represented at the meeting.

### **Rule XIII: Regular terms of reference of the General Assembly**

Except for the extraordinary General Assembly, the General Assembly is competent to deal with all matters of the company, in particular:

- A. Appointment and dismissal of members of the Governing Council.
- B. License to have a member of the Board of Directors have a direct or indirect interest in the business and contracts on behalf of the company, in accordance with the provisions of the Corporate System and its implementing regulations.
- C. To authorize the participation of a board member in any business that may compete with the company or compete with the company in an activity branch, in accordance with the provisions of the corporate system and its executive regulations.
- D. To monitor the compliance of members of the Board of Directors with the provisions of the corporate system, its implementing regulations, other relevant regulations, and the company's underlying system, to examine any damage arising from their breach of these provisions or their breach of the company's business, and to determine the liability therefor, and to take such action as it deems appropriate in accordance with the corporate system and its implementing regulations.
- E. Establish an Audit Committee in accordance with the provisions of the corporate system and its implementing regulations.
- F. Approve the company's financial statements.
- G. The approval of the Governing Council report.
- H. Decide on the Board's proposals on how to distribute net profits.

- I. Identify, award, reassign, change and approve company auditors.
- J. Consider the irregularities and errors of the company's auditors in the performance of their duties and, in any difficulties, the company's auditors to enable the Board or the company's management to have access to the books, records and other documentation, data, and clarifications necessary to perform their functions, and to take what it deems appropriate in this regard.
- K. The company's regular reserves were discontinued at (30%) of the company's paid-in capital. The distribution of excess of that to its shareholders in the financial years in which the company did not earn a net profit was reported.
  - A. Use of the Company's Statutory Reserve if it is not allocated for a particular purpose, the use of this reserve shall be at the suggestion of the Board of Directors and in the interests of the company or its shareholders.
  - B. Create and dispose of other reserves of the company other than regular and conventional reserves.
  - C. Deduct amounts from the company's net profits to establish social institutions for the company's workers or aid any existing of these institutions, as stated in Article XXIX of the corporate system.
  - D. Agree to sell more than (%50) of the company's assets, either in a single transaction or in several transactions within twelve months of the date of the first sale, and if the sale of such assets guarantees what is within the General Assembly's extraordinary competence, the General Assembly's extraordinary approval must be obtained.

#### Article XIV: The Society of contributors

- A. The General Assembly shall meet with shareholders in accordance with the conditions and conditions outlined in the corporate system, its implementing regulations, and the corporate foundation system.
- B. The regular General Assembly is held at least once a year during the six months following the end of the company's financial year.
- C. Public or private shareholders' associations shall be convened by the Board of Directors in accordance with the conditions outlined in the corporate system, its implementing regulations, and the company's foundation system. The Board of Directors shall invite the General Assembly to meet if requested by the Auditor, Audit Committee, or several shareholders whose ownership represents at least (5%) of the company's capital. The Auditor may convene the Assembly if the Board does not call it within 30 days of the date of request of the Auditor.
- D. The date, place, and agenda of the General Assembly must be announced at least 21 days in advance. The invitation shall be published on the market website and the company website and in a daily newspaper distributed in the area where the company's main center is located. The company may also convene the public and private associations of its shareholders through modern technology.
- E. The company may amend the General Assembly's agenda between the publication of the declaration referred to in paragraph (d) of this article and the date of the General Assembly, to be announced by the company in accordance with the conditions established in paragraph (d) of this article.
- F. Shareholders must have the opportunity to participate effectively and vote in the meetings of the General Assembly. Meetings of the General Assembly of contributors, participation in deliberations, and Voting on its decisions may be held by means of modern technology, in accordance

- with the regulations and procedures issued in implementation of the corporate system of the listed shareholders.
- G. The Governing Council facilitates the participation of the most significant number of contributors in the General Assembly meeting, including the choice of appropriate venue and time.
  - H. The company should verify that the shareholders who wish to be present at the leading company center are registered before the specified time for the association unless the company's base system provides another means.

#### Rule XV: Agenda of the General Assembly

- A. In preparing the General Assembly's agenda, the Governing Council should consider the topics that the shareholders wish to include. Shareholders with at least (5%) shares of the company may add one or more protocols to the General Assembly agenda when it is prepared.
- B. The Governing Council shall have individual members of each of the topics on the agenda of the General Assembly under a separate clause, not to combine the substantive themes under a single clause, and not to place work and contracts in which the members of the Council have a direct or indirect interest under a single clause; For the purpose of obtaining a vote of contributors on the clause as a whole.
- C. Shareholders must be given access to the company's website and the Market Website - when the invitation for the General Assembly is published - to obtain information on General Assembly agenda protocols, in particular the report of the Board of Directors, auditors, financial statements, and the audit committee report; This is to enable them to make an informed decision. The company should update that information if the General Assembly agenda is modified.

- D. The Commission may wish to include in the agenda of the General Assembly such topics as it may consider.

## Article 16: Management of the Society of contributors

- A. In the absence of the Chairman and Vice-Chairman of the Board of Directors, the meetings of the Contributors' Public Associations shall be chaired by the Chairman or Vice-Chairman of the Board or by the members of the Board.
- B. The Chairman of the Contributors Association shall be obliged to provide shareholders with the opportunity to participate effectively and vote in the General Assembly's meetings and avoid any action that might impede the attendance of the Assemblies or the use of the right to vote. They must be informed of the rules governing the work of those meetings and procedures Voting.
- C. Shareholders have the right to discuss the topics on the General Assembly's agenda and ask questions about them to the Governing Council and the Auditor members. These questions must be answered to the extent that they do not harm the firm's interest.
- D. Shareholders should view the minutes of the General Assembly meeting, and the company must provide the authority with a copy within ten days of the meeting.
- E. The company shall make public and inform the Authority and the Market, in accordance with the regulations established by the authority, of the results of the General Assembly as soon as it is concluded.

## Part four: Disclosure and Clarity

### **Article XVII: Disclosure policies and practices**

The company shall disclose all information required by the relevant regulations and regulations free of charge. This information includes the company's financial position, performance, ownership structure, and governance structure. The Board has prepared and adopted disclosure and Clarity regulation for data that is part of the system.

The Board of Directors also undertakes to ensure that a clear policy of disclosure, procedures, and supervisory systems, including compliance and commitment to disclose important developments, is established so that the company will inform the relevant parties (the Financial Market Authority, the Central Bank of Saudi Arabia, and shareholders) as soon as any substantial changes occur.

The company will publish the entire annual Board of Director's report, which contains a section on corporate governance, and prepare other reports such as bulletins, quarterly reports, substantial developments, disclosure of corporate governance practices, schedule of events, and essential information on its website and on the Financial Market (Trading) website according to the dates you set Related Regulations and Regulations.

## **Article XVIII: Financial statements**

The company maintains accounting records and prepares its initial and annual financial lists in accordance with the accounting standards adopted in the Kingdom and disclosures in the annual Board of Directors report, the company's website, and the Financial Market (Trading) website during the dates specified by the relevant regulations and regulations, registration and listing rules. So everyone who knows them can know and evaluate the company's performance. The annual report of the Board of Directors, the legal accountant's report, and the audit committee's report are considered complementary to the financial information.

## **Article XIX: Report of the Governing Council**

The Governing Council is committed to containing the following in its report:

- A. The applied terms of the Corporate Governance Regulation and the provisions, and the unapplied with its reasons.
- B. The names of participating companies members of the Board are members of the company directors.
- C. The brief and classification of the Board: Executive Board Member, Non-Executive Board Member, or an independent Board Member.
- D. A brief description of the terms of reference of the Main Committees of the Board and their functions, such as the Review Committee and the Nominations and rewards Committee, including the names of these Committees, Chairs, members, and the number of meetings.
- E. A breakdown of the compensation and compensation paid to each of the following:
- F. Members of the Governing Council.
- G. Five of the top executives received the highest compensation from the company, plus the CEO and CFO, if not including them.

- H. Any penalty, sanction, or reserve restriction obligated on the company by the Financial Market Authority or any other supervisory, regulatory, or judicial authority.
- I. Annual review results of the effectiveness of the internal control procedures applied to the company

### **Article 20: Oversight and Review Committee**

With reference to Article 44 of this memorandum, the functions, and responsibilities of the Review Committee are four (4) key topics: Overseeing the preparation of financial statements and reports, risk management, internal and external review, and ensuring that the company complies with the relevant regulations, regulations, and instructions issued by regulators and supervisory bodies through Compliance and Compliance Management. The Committee is composed of some non-executive board members, including a finance and accounting specialist. The terms of reference, responsibilities, working procedures and procedures of the Committee have been defined in its Regulation, which is part of this Regulation. The Review Committee is also constituted by a decision of the regular General Assembly.

### **Article XXI: External review**

The legal accountant (external Auditor) reviews the company's financial statements. The company's regular General Assembly appoints the legal accountant on the Board's recommendation based on the audit committee's recommendation. The total duration of his appointment may not exceed five consecutive years, and the person who has exhausted this period may be re-appointed two years after the expiry date. The Assembly may also at any time

change it without prejudice to its right to compensation if the change occurs at an inappropriate time or for an unlawful reason.

### **Article XXII: Influential ownership of shares or instruments of debt**

Any person (contributor) shall notify the Authority and Salama Company at the end of the trading day when becoming the owner or has 5% interest or more of any category of Salama's shares with a right to vote or convertible debt instruments or when there is a change in the ownership ratio for that subject at (1%).

Salama must ensure that shareholders who own five (5%) or more of their total shares are disclosed on the Financial Market (Trading) website based on the information available to them in this regard.

## **Section V: Governing Council**

### **Article XXIII: Composition of the Governing Council**

1. The SSC system specifies the number of board members as at least five (5) and no more than eleven (11).
2. The Board must appoint a Secretary to the Board. The Board may also appoint one or more advisers to the various company matters, and the Board shall determine their remuneration.
3. Each contributor shall be entitled to nominate himself one or more other persons for membership of the Board of Directors.
4. Board members must be appointed in accordance with the requirements for appointment to leadership positions in financial institutions issued by the Central Bank of Saudi Arabia.

5. Board members must have the secretariat and knowledge in all or part of the financial, administrative, or/and insurance matters and the expertise necessary to perform their functions.
6. The Board must generally have a diversity of qualifications, knowledge, experience, and skills in the various areas of the firm's business.
7. The board member may not be a member of the Board of directors of another insurance or reinsurance company.
8. A member of the company's Board of directors may not be a member of a board of directors of an insurance or reinsurance company or hold a leading position in those companies.
9. The regular General Assembly shall elect the Governing Council members for the period provided for in the company's statute, provided that it does not exceed three years. Board members may be re-elected unless otherwise provided by the company's regulations.
10. The majority of board members must be non-executive.
11. It is prohibited to combine the position of Chairman with any executive function of the company, such as the CEO, Managing Director, or General Manager position.
12. Independent board members must not be less than two (2) or one-third of the Board, whichever is greater.
13. A member must not be a member of the Board of directors of more than five joint-stock companies.
14. According to the company's system, a person of a legal nature is entitled to appoint representatives to the Board of directors shall not vote on selecting other members of the Board of directors.
15. The term of the membership shall be three years renewable unless otherwise specified by the company's system.

#### **Article XXIV: Expiry of the Board of Directors membership**

1. End of the session of the Board.
2. Governing Council member resigned.
3. Death of a board member.
4. Mental illness or physical disability may result in a member not performing his or her role properly.
5. A decision to make a member's bankruptcy, insolvency, or request a settlement with its creditors or stop paying its debts.
6. A conviction for an act contrary to honor, honesty, or forgery By violating regulations and regulations in Saudi Arabia or any other country
7. A member of the Council shall breach their duties in a manner detrimental to the company's interests, provided that this is accompanied by the approval of the ordinary General Assembly.
8. The absence of (3) meetings within one year without an acceptable excuse.
9. The member's inability to continue to work on their responsibility under the rule of any of the regimes in Saudi Arabia.
10. The company must notify the Central Bank of Saudi Arabia and the Authority within five (5) days of the resignation or termination of a member for any reason other than the end of the Board's role.
11. Board accountability is made by shareholders, regulators, supervisors, and other stakeholders.

#### **Article XXV: Criteria and procedures for nomination and appointment to the Board of Directors**

1. To have sufficient knowledge of administrative, financial, and insurance matters and be familiar with the relevant rules, regulations, and legislation, mainly issued by the Central Bank of Saudi Arabia, and the rights and duties of the Board of Directors.
2. Sufficient time must be given to applying for membership on the Board

3. The Central Bank of Saudi Arabia approves its nomination and follows the following steps:
  - A. Completing the appropriate form, signature by the candidate, and company certification.
  - B. Provide all the attachments described in the Fit form.
  - C. The company assessment results and evaluation-related documents.
  - D. Provide all documents required by the company.
4. He is not a board member of another insurance or reinsurance company.
5. The board member should not be more members of the Board Of the five listed companies in the market at the same time.
6. To be fully qualified as a legitimate one.
7. The candidate has sufficient practical, scientific, and appropriate experience to contribute to the company's drive for optimum performance and strategy.
8. If the candidate has already been a member of the Board of directors of a participating company, indicate the number and date of the boards of directors of the companies that they are a member of. If he or she has already served on the Board of directors of the company, he or she shall attach a statement from the company's management about the last term of office. Includes the following information:
  - A. The number of meetings of the Governing Council that took place during each year of the session, the number of meetings attended by the member was original, and the proportion of his attendance at the total meetings.
  - B. The committee members participated, the number of meetings held by each of those committees during each year of the session, the number of meetings he attended, and the ratio of his attendance to the total meetings.

9. Those who have previously served on the Board of directors of a participating and listed company, especially financial firms, prefer to be a member of the Board.
10. The Saudi Authority has not convicted the candidate, Central Bank, or any judicial or regulatory authority for a severe breach of the corporate system, financial market system, executive regulations, cooperative insurance company control system, and executive regulations for an offense punishable by order against honesty, integrity or integrity It involves any cheating, fraud or misinformation.
11. The company must provide stakeholders with sufficient information about candidates, qualifications, and relationships with the company before voting on their choice and is counting on the start of the cumulative Voting in the General Assembly for Board members.
12. The company must notify the Central Bank of Saudi Arabia when any applications for membership in the Council are rejected, and the reasons for the rejection are identified.
13. The number of candidates for the Governing Council who are presented to the General Assembly must exceed the number of seats available so that the General Assembly can select from among the candidates. In the absence of a sufficient number of candidates, the Governing Council could use the services of an independent specialized third party to identify additional candidates for Board membership.

### **Article XXVI: Powers and functions of the Governing Council**

Subject to the terms of reference of the General Assembly. The Board of Directors of the Company shall assume all the powers and authority necessary for its administration. The ultimate responsibility for the company remains with the Council even if it has formed committees or delegated other entities or individuals to do some of its work, and the Council should avoid issuing general or indefinite authorizations.

The Board of Directors is the main management body of the company responsible for developing the overall strategy and objectives, directing and controlling the performance of the company's executive management, and deciding on the subjects and actions that do not fall within the General Assembly's competence of shareholders.

**1. The responsibilities of the Board of Directors concerning the company's strategy include the following:**

- A. Strategic leadership of the company, setting goals, and formulating strategic plans.
- B. Adopt the company's overall strategic directions and key business plans and set critical goals that contain the company's annual financial and operational plans through recommendations from the company's executive.
- C. Oversee the implementation of essential strategic plans and processes.
- D. Identify and monitor the performance of the CEO of the company.
- E. Develop, review and guide the firm's risk management policy.
- F. Identify the company's optimal financial capital structure, strategy, financial goals, and annual budget approval.
- G. Oversees the company's principal financial head and owns and disposes of the assets.
- H. Set performance goals, monitor representation, and overall performance of the business.
- I. Periodic review and approval of organizational and functional structures in the company.

**2. The responsibilities of the Governing Council concerning internal oversight and oversight include:**

- A. Establish and monitor the company's internal control system and ensure its efficiency and effectiveness
- B. Approve, review, and update key policies and procedures regularly

- c. Develop and monitor the firm's risk management system to continuously assess, manage and monitor risk.
- d. Establish, supervise, and monitor the effectiveness and adjustment of a corporate governance regulation that does not conflict with the provisions of the two corporate governance provisions of the Financial Market Authority and the Central Bank of Saudi Arabia.
- e. Develop a written policy regulation governing conflicts of interest and address potential conflicts for board members, executive management, and shareholders, including misuse of company assets and facilities and misconduct resulting from dealings with related persons.
- f. The Board should use the services of independent third parties to ensure that the corporate governance structure and procedures and other technical aspects in which the Board does not have good knowledge and experience are efficient and effective.
- g. Develop a written policy governing the relationship with stakeholders to protect them and preserve their rights. This policy should cover, in particular, the following:
  - A. Mechanisms for compensating stakeholders in rights violations are established by regulations and protected by contracts.
  - B. Mechanisms to resolve complaints or disputes that may occur between the firm and its stakeholders.
  - C. Appropriate mechanisms to establish good relationships with customers and suppliers and keep their information confidential.
  - D. The Code of Conduct Professional Managers and employees of the company to conform to professional and ethical standards and regulate their relationship with stakeholders, with the

Board establishing mechanisms to monitor and comply with the application of these Rules.

E. Social Company contribution.

3. Select and change executives at key positions (where needed), and ensure that the company has an appropriate policy for a proper replacement that is eligible for work and has the required skills.
4. Supervise senior management and monitor the company's performance against performance targets set by the Board.
5. Ensure that the interests of the Insured are protected at all times.
6. The Board is responsible for fostering a corporate governance culture and high ethical standards.
7. Members of the Council must be kept informed of the course of work and act in good faith and with due diligence and adherence to relevant regulations and regulations to benefit shareholders, insured persons, and other stakeholders.
8. Board members must perform their duties beyond any outside influence, both inside and outside the company. They must not advance their interests or represent the company's interests, shareholders, and other stakeholders.
9. Members of the Council and its committees are prohibited from disclosing confidential information obtained as part of their responsibilities to shareholders or public persons outside the scope of meetings of the General Assembly, or from using any such information for personal benefit or private profit and the responsibility of the Governing Councilperson in the event of a violation of this paragraph.
10. Members of the Council must be kept informed of work and act in good faith and with due diligence and adherence to relevant regulations and regulations to benefit shareholders, insured persons, and other stakeholders.
11. Board members must be careful to understand the latest organizational developments and participate in training programs organized by the company as needed in areas and topics relevant to their role, but not limited to corporate

governance, risk and financial management, solvency, insurance, internal control, systems, formal commitment, and any other important subjects.

12. A board member or senior management (excluding sales managers) may not receive commissions or bonuses for the business they contribute to the company. Nor may any part of the compensation of a board member or senior management (except sales managers) be directly linked to the business size of the company (insurance premiums).
13. The Board of directors must ensure that the level and structure of awards are:
- A. Fair
  - B. Consistent with corporate goals
  - C. Encourages precautionary practices and does not take high risks to achieve short-term returns, and is consistent with the Board's Corporate risk Management Policy.
14. Adopt a professional code of conduct to ensure that the company's activities are carried out fairly and ethically. The Company Code of Business Conduct should cover at a minimum the following aspects:
- A. Conflict of interest
  - B. Integrity and honesty
  - C. Comply with relevant regulations and regulations
  - D. Confidentiality of information
  - E. Fair dealing
  - F. Protecting corporate assets
  - G. Guiding principles of ethical behavior
  - H. The mechanism for reporting irregular or immoral behavior
15. Ensure integrity of financial and accounting systems, including financial reporting systems.
16. Ensure that appropriate risk management control systems are in place by transparently identifying and providing a general perception of the company's risks that may face.

17. Annual review of the company's internal control procedures and effectiveness.
18. Establish and implement clear and specific policies, standards, and procedures for membership in the Governing Council after its adoption by the General Assembly.
19. The terms of reference of the Governing Council include matters relating to the preparation and management of the General Assembly of contributors that have been defined in accordance with the General Assembly Regulations of contributors.
20. The company's statute clearly defines and defines the powers of the Board of Directors. Board members must exercise their powers and duties in the interests of the company.
21. The Governing Council should perform its functions and responsibilities in good faith, seriousness, and interest and base its decisions on adequate information from the executive or any other reliable source.
22. The Board should ensure that procedures are in place to identify new board members with the company's work, particularly the financial and legal aspects of the company, as well as their training, if necessary.
23. The Board shall develop policies and procedures that ensure that the company respects the Regulations and Rules and is committed to disclosing material information to shareholders and other stakeholders.
24. The board member represents all shareholders and must be work to the overall company's interest, not in the interests of the group he represents or has voted on to be appointed to the Board.
25. The Governing Council shall determine the powers of its executive management, decision-making procedures, and mandate duration. It also identifies topics that retain the power to decide. The Executive Department reports quarterly on the exercise of delegated powers.
26. The Board of Directors shall not make loans exceeding three years' notice or sell the company's property, mortgage, or discharge the company's debtors from

their obligations unless authorized to do so in the company's system and under the terms set forth therein. If the company's strategy only contains provisions in this regard, the Board of Directors may conduct the said conduct only with the permission of the General Assembly unless such behavior is inherently for the company.

27. Council members must have full authority to obtain any relevant information about the company through the Council to enable Council members to play their roles and fulfill their responsibilities.
28. Review the report issued by the actuary expert and report it to the Central Bank of Saudi Arabia within 15 days of receipt of the notification.
29. Review the e-insurance operations plan before offering it to the Central Bank of Saudi Arabia, approve that plan after getting the Saudi Central Bank's written approval, and review this plan annually or when making any substantial change in the company's e-insurance strategy.
30. Supervise the formulation, document, approve and implement the reinsurance strategy.
31. Approve and review the company's investment policy annually to ensure its suitability.

### **Article XXVII: Responsibility of the Governing Council**

1. Members of the Board shall be liable, in solidarity, for compensation to the company, to shareholders, or otherwise for damage caused by their mismanagement of the company's affairs or breach of the company's Regulations or Regulations condition otherwise required shall be no longer. The responsibility lies with all board members if the error arises from a decision unanimously made. Decisions adopted by a majority of the views shall not be asked by the opposing members when they have made their objections expressly in the record of the meeting. Absence from attending the meeting at which the decision is made is no reason to forgive responsibility unless the

absent member is proved to be unaware of the decision or cannot object to it after learning it.

2. The formal approval of the General Assembly to discharge the members of the Governing Council shall not preclude the establishment of a liability suit.
3. You do not hear a claim of responsibility three years after the date of the discovery of the wrongful act. Except in cases of fraud and fraud, the share of liability is not always heard five years after the expiration of the financial year in which the adverse action occurred or three years after the expiry of the membership of the designated member of the Board of Directors, whichever is later.
4. The Board may contract with an insurance company to obtain a policy covering the members' liability for any material losses to the company due to the Board's decisions, and the company shall bear the cost of this document.

### **Article XXVIII: Meetings of the Governing Council**

1. Board members should allocate sufficient time to carry out their responsibilities, including preparation for and attendance at the board meetings and the Standing and temporary Committees.
2. The Council shall meet at the company's main center and be entitled to meet outside the company center.
3. Meetings of the Governing Council shall be convened at least four (4) meetings per year at the request of the Chairman or any of the following:
  - A. Legal accountant
  - B. Two (2) members of the Council.
4. No three (3) months may elapse during the year without the Council.
5. The invitation to Council meetings must be documented appropriately to ensure that all Council members are invited by registered mail, e-mail, or Fax. The

member provides contact information and is responsible for updating it whenever necessary.

6. The Chairman of the Board shall consult with the other members and the Executive Chairman when preparing a specific schedule of topics to be presented to the Board. The agenda shall be communicated, accompanied by documents, to members before the meeting within a period of less than (5) days prior to the date of the meeting; So that they can study topics and prepare well for the meeting. The Governing Council shall approve the agenda if any member objects to this schedule, the details of such objection shall be reflected in the record of the meeting.
7. The meeting of the Council shall be valid only in the presence of four (4) members themselves or by the speaking of a woman, provided that the number of members presents themselves shall be at least three.
8. A member of the Board of Directors may not be on behalf of more than one member in the presence of the meeting. The pat must be fixed by writing.
9. With respect to the respondent's voice, a representative may not vote on decisions that are prohibited by the Corporate System, Company Platform, or the Corporate Governance Regulation of Salama at the respondent.
10. Decisions of the Council shall be adopted unanimously and, in the event of disagreement, by a two-thirds majority of the members present and represented at least. In the case of equality, the resolution with which the President of the Council voted is likely.
11. The Council may issue decisions by voting on them by scrolling only if a member requests a meeting to be held at that meeting, in which case these decisions will be submitted to the Governing Council at its first subsequent meeting.
12. The records of the meetings shall be distributed to the parties concerned within a period not exceeding fifteen (15) days, with the person or entity responsible for implementing the decisions taken.

13. A member of the Council shall be entitled to request that their observations, views, or reservations on any of the Council's decisions be reflected in the record of the meeting.
14. The Board of Directors should document its meetings and prepare records of discussions and deliberations, including voting operations, which have been scheduled and kept for easy reference. The President of the Council must sign them, the Secretary-General, and all members present and documented in an official register.
15. The minutes of the Council's meetings should clarify the names of the attendees, the topics discussed, the main deliberations, the Voting, the objections, the abstention (with reasons if any), the decisions are taken, and any reservations to these resolutions. All records and documents consulted during the meeting and/or referred to in the minutes of the meeting shall be attached to the form.
16. Non-executive board members should hold closed meetings without at least once a year's attendance by the board members. Non-executive members of the Board may invite any of the focal points for oversight functions to attend such meetings.
17. The Board may invite executive directors to attend any of its meetings.

### **Article XXIX: Chairman and officials of the Board**

1. The Council shall elect, by majority vote, a non-executive member to the Presidency and a non-executive member to be elected Vice-President (after obtaining a non-objection from the Central Bank of Saudi Arabia).
2. It is prohibited to combine the position of Chairman with any executive position of the company, such as Managing Director, CEO, or General Manager.
3. The Board may terminate the work and re-appoint the President of the Board at any time by most of the members' votes.

4. The Governing Council shall authorize the President of the Council to organize the Council's work and grant him the necessary powers to perform his duties.
5. There should be no overlap between the responsibilities of the Chairman and those of the CEO. The Chairman of the Board must abide by his supervisory role and not perform the executive functions that fall within the purview of the Executive Chairman.
6. The CEO may not be appointed Chairman of the company's Board of directors during The first year of the end of its services.
  
7. The Chairman of the Board shall:
  - A. Organize the Governing Council's work and provide an appropriate atmosphere for an exchange of views and open discussion among all members of the topics on the agenda.
  - B. Provide the Board and members of the Board with the necessary information to enable them to make decisions and perform their functions.
  - C. To arrange for the Council meetings to be convened, prepare the agenda, chair meetings, and organize the voting process on resolutions.
  - D. Organize and sign meeting minutes.
  - E. Upon receipt of the notable nominations for the post of Chief Executive, the candidate shall confirm the position's validity and submit it to the Board for approval of the appointment.
  - F. Supervise the General Assembly of contributors or the delegation of its members to the Presidency of the Assembly.
  - G. Oversee the preparation of the Board's report, which is part of the contents of the company's annual report, covering the Board's activities during the year.
  - H. Represent the company before the judicial authorities and supervising relations between the Council and other internal and external parties.

- i. Support the efforts of the Board of Directors in raising the standards and standards of corporate governance and ensure compliance with relevant regulations and regulations at all times.
- j. Exercise of the powers conferred upon him by the company's statute or delegated to him by the Governing Council from time to time.
- k. In the absence of the Board President for a meeting, the Vice-President of the Board shall act on their duties and, if this is not possible, a member of the Board shall be elected by a majority of the members present at the meeting.

### **Article 30: Role and responsibilities of the Vice-Chairman of the Board of Directors**

The President of the Board shall be replaced in his absence and shall have all the President of the Board's powers as provided in the above paragraph.

### **Rule XXXI: Secretary of the Council**

1. The Board shall appoint a Secretary for the term of the Board's session to coordinate the Board's work and provide support and assistance to members. The Secretary may be a member of the Council or the company's office, and the remuneration shall be determined in accordance with the decision of his appointment, shall not exceed the term of office of the Council, and may be re-appointed.
2. The Secretary of the Board must have sufficient experience and knowledge of The business and activities of the company, have good communication skills,

and be familiar with relevant regulations, regulations, and best practices in governance Companies.

3. The Secretary of the Board shall inform the board members of the dates of the meetings, provide them with relevant agendas and documents and ensure that they are delivered at least (10) working days before the meeting.
4. The records of the meetings shall be distributed to the parties concerned within a period not exceeding (15) days, with the person or entity responsible for implementing the decisions taken.
5. The role of the Secretary of the Council shall be, but not limited to, the following:
  - A. Prepare the Council's agenda as directed by the President of the Council.
  - B. Coordination of meetings of the Council
  - C. To inform members of the invitation of the President of the Council
  - D. Ensure that appropriate means of communication are available for the exchange and recording of information between The Board and its committees and between executive board members and non-executive members
  - E. The records of the meetings of the Council shall be maintained, and the records of the meetings of the Council shall be the permanent official record of the actions and decisions taken by the Council and its committees.
  - F. To follow up the implementation of Council resolutions and instructions.
  - G. Ensure that the rules governing the Council's work and its committees are applied.
  - H. Supervise procedures and arrangements for holding public associations of shareholders.
  - I. Account for Board members' outstanding allowances for attendance at meetings.
  - J. Any other functions that the Council deems to be assigned to it.

6. Minutes of meetings shall be retained and signed by the Chairman, members, and the Committee's Secretary.

### **Article XXXII: Conflicts of interest**

1. A board member or senior management (excluding sales managers) may not receive commissions or bonuses for the business they contribute to the company. Nor may any part of the compensation of a board member or senior management (except sales managers) be directly linked to the business size of the company (insurance premiums).
2. A member of the Board of Directors may have no direct or indirect interest in the works and contracts for the company's account except with a prior license from the regular General Assembly, which shall be renewed every year. The member of the Board shall inform the Board of the direct or indirect interest in work and contracts on behalf of the company, and this communication shall be established in the minutes of the meeting. The member shall not participate in voting on this resolution.
3. The Chairman of the Board shall inform the General Assembly when it is taking the place of work and contracts in which a member of the Board has a direct or indirect interest. The communication shall be accompanied by a special report from the External Company Auditor.
4. Suppose a member of the Council fails to disclose its direct or indirect interest in any contracts. In that case, the company or all of the claimant's interests may, before the competent judicial authority, terminate the contract or require the member to make any profit or benefit that it has realized.

5. A member of the Board of Directors or Senior Management shall not, without a license from the General Assembly, renew every year, participate in any work that is likely to compete with the company, or trade-in a branch of its activity in.
6. Members of the Board of Directors and Senior Management who have ownership in any of the insurance-related professions (e.g., insurance brokers and agents) must:
  - 6.1. Written disclosure to the Board of Directors of their own in the Free professions Company At the earliest opportunity
  - 6.2. Refrain from encouraging dealings with their own company for self-employment Property in it
  - 6.3. Abstain from voting on any decisions relating to dealing with the self-owned enterprise.
  - 6.4. Disclose to the General Assembly at the time of the session of its dealings with insurance-related professions. Any member of the Board or senior management has a personal interest, and a special report of the auditors is attached.
7. The Board Chairman shall provide the General Assembly with details of insurance contracts in which an interest of a member of the Board of Directors, senior management, or related parties, including the quality and volume of such agreements and any losses arising from them, if any.
8. The company may not lend money of any kind to its Board members or guarantee any loan one of them makes to others, excluding banks and other credit companies.
9. A member of the Council shall not accept a delegate to attend the meetings of the General Assembly.

### **Article XXXIII: Annual evaluation of the Governing Council.**

1. The Board of directors, at the suggestion of the Nominations and rewards Committee, set the performance to evaluate the mechanism of the Board, its members, its committees, and the executive management annually,

through the appropriate performance indicators related to the extent to which the company's strategic objectives are achieved, the quality of risk management and the adequacy of internal controls and others. Identify strengths and weaknesses and propose that they be addressed according to the firm's interests.

2. Performance appraisal procedures must be written and clear and disclosed to board members and values.
3. Performance assessments should include the skills and experience of the Council, identify weaknesses and strengths, and address weaknesses in possible ways, such as the nomination of professional competencies that can develop the Council's performance. Performance evaluation should also include assessing the Council's working mechanisms in general.
4. The individual assessment of the board members shall take into account the effective participation and commitment of the member in the performance of his or her duties and responsibilities, including attendance at the meetings of the Board and its committees and the allocation of time.
5. The Governing Council shall make arrangements for evaluating its performance by a competent third party every three years.
6. Non-executive board members periodically assess the performance of the board chairman after taking the views of the executive members – without the Chairman attending the discussion on this purpose – to identify strengths and weaknesses and propose to address them in line with the firm's interest.

### **Article XXXIV: Orientation program for Board members and continuous development**

Members of the Council should be subject to a definition program when they join the Council and provide each member with a letter of appointment identifying their

duties and responsibilities and comprehensive information about the company's business, strategic plans, and related and regulations.

Board members should be careful to know the latest organizational developments and participate in training programs organized by the company as needed in areas and topics relevant to their role. These include but are not limited to corporate governance, risk and financial management, solvency, insurance, internal control, systems, regulatory compliance, and any other important topics.

## Chapter 6: Corporate Committees

### Review Committee regulation

#### Article 35: Composition of the Committee

The Review Committee shall be constituted by the rules of selection of the members of the Review Committee, their term of office, and the method of work of the Review Committee issued by the General Assembly of the Company based on the Board's recommendations.

#### Rule XXXVI: Appointment of members and term of office

- A. The Board shall appoint the Chairman and members of the Audit Committee for three years after obtaining the non-objection of the Central Bank of Saudi Arabia in writing. The General Assembly shall approve the appointment.
- B. The Board of Directors may renew the review committee or one of its members for a further three years only once.
- C. The Board of Directors appoints new members to the Review Committee if a new board is elected after getting not to be banned by the Saudi Central Bank in writing.
- D. The Central Bank of Saudi Arabia cancels its non-objection to appoint any member or members of the review committee if any of them violates these regulations or the provisions of the cooperative insurance company control system, its executive regulation, or the conditions of other related laws and instructions. And to take such measures as it considers appropriate against the company and the person concerned.
- E. The Board of Directors, when obtaining a non-objection in writing to the Central Bank of Saudi Arabia, has the right to dismiss any member of the Review Committee if they lose the membership conditions or violates the provisions of these Regulations, the requirements of the Cooperative

- Insurance Companies' Control or its Regulations or the provisions of other relevant regulations and instructions.
- F. A member of the review committee has the right to resign, under the condition of providing the resignation request is submitted in advance to the Board one month before the date of its resignation. The company must notify the Central Bank of Saudi Arabia in writing of the resignation of the review committee member and the reasons for his resignation and provide the Central Bank of Saudi Arabia with a copy of the resignation request within five (5) working days from the date Resignation.
  - G. A member shall be deemed a member of the Audit Committee if the Board fails without an excuse to attend the Review Committee meetings for more than three consecutive sessions.
  - H. Suppose a member of the Review Committee is appointed during the term of office. In that case, the Board shall set within a maximum period of one month of the vacancy after obtaining the non-objection of the Central Bank of Saudi Arabia by writing another member of the vacant position. The new member shall complete the term of his predecessor.
  - I. A member of the Review Committee shall be terminated immediately if any changes occurred to violate the membership conditions in these Regulation or any other regulations, instructions, or decisions issued by the Central Bank of Saudi Arabia, and the member of the Review Committee shall inform the company in writing immediately upon the examination of this change. The Review Committee member cannot attend any meetings of the Committee held after the date of such change.

### Article XXXVII: Organization of membership

- A. The Review Committee shall consist of at least three members and a maximum of five members, most of whom shall be from outside the Board of Directors.

- B. The Audit Committee member must not be a company executive, employee, or consultant.
- C. A member of the Commission shall not be a member of Board, directors, employees, consultants, focal points, or representatives of a party concerning the company, including but not limited to:
  - 1. Significant shareholders or founders.
  - 2. External reviewers.
  - 3. Suppliers.
  - 4. Company customers.
- D. Legal persons in the company are associated with a financial, commercial, or first-class relationship with the company's Board of directors or executives.
- E. A member of the Audit Committee shall not be a member of the Board of Directors or the Review Committee of any other company in the insurance sector in Saudi Arabia.
- F. The Review Committee member should not be an executive member of the Board.
- G. The board member nominated for membership of the Committee must be independent.
- H. No member of the Review Committee may serve synchronically on review committees for more than four public companies.
- I. The Board must ensure that the review committee members are eligible to fulfill their responsibilities. At least two committee members, including the Chairman, must have recent and relevant accounting and financial management experience.

### **Article XXXVIII: Appointment of the Chairman and Secretary of the Commission**

- A. The Chairman of the Board may not be a member or Chairman of the Audit Committee.

- B. The Review Committee Chairman may not have a relationship with any board of directors, financial or commercial.
- C. The Chairman of the review committee may not have a relationship with its senior management, affecting its independence.
- D. The review committee appoints a Secretary of the company who works as its chief executive officer, prepares its meeting minutes, ensures that the committee chairman signs these records, and schedules the review committee meetings in coordination with its Chairman.
- E. The Secretary of the Review Committee must document and keep the minutes of the Review Committee meetings in a particular registry.
- F. The Secretary of the Review Committee may not be the Secretary of any other board committee.

### **Rule XXXIX: Functions of the Commission**

The functions of the Review Committee shall include, at a minimum, the following:

- A. Recommend to the Board of Directors approve the appointment or reappointment of external auditors, including ensuring that the nominated external auditors have the necessary expertise to review the work of insurance and reinsurance companies.
- B. Appoint and isolating the Compliance Manager or Compliance Officer after obtaining a non-objection from the Central Bank of Saudi Arabia in writing.
- C. Appoint and dismissal the Director of Internal Audit and Internal Auditor after obtaining a non-objection to the Central Bank of Saudi Arabia in writing.
- D. Ensure the independence of outside auditors, board members, and senior management of the company.
- E. Ensure that the internal audit department or internal auditor performs their duties and check that there is no restriction on their work or that there is anything that can adversely affect their work.

- F. Ensure the independence of the Compliance Manager or Compliance Officer in their duties, and verify that there is no restriction on their business or that there is anything that could adversely affect their business.
- G. Discuss the initial quarterly and annual financial statements with external auditors and the company's senior management prior to issuance.
- H. Study and review and recommend the initial and quarterly financial statements to the Board of Directors.
- I. Study the audit plan for internal and external auditors.
- J. To study, approve, and follow up on implementing the compliance plan.
- K. Examine important accounting policies, procedures, and changes.
- L. Coordinate internal and external reviewers.
- M. To examine external auditors' reports and make recommendations to the Board of Directors.
- N. Review and recommend internal audit or audit reports to the Board.
- O. To examine reports and make recommendations to the Board of Directors or the regular Superintendent or Superintendent.
- P. To assess the level of efficiency, effectiveness, and objectivity of external auditors, internal auditors, internal auditors, and compliance or compliance officer.
- Q. To examine and make recommendations on the observations of the Central Bank of Saudi Arabia and the relevant supervisory and supervisory authorities regarding any systemic irregularities or requests for corrective action to the Board of Directors.
- R. Evaluate the internal control procedures of internal and external auditors.
- S. Examine operations between group entities and processes with relevant parties.
- T. To examine the actuary reports and make recommendations thereon to the Governing Council.

- u. Ensure that the Company is committed to applying the actuarial expert's proposals and recommendations when required by the relevant Regulations and Directives of the Central Bank of Saudi Arabia and the relevant supervisory and regulatory bodies.
- v. Follow up on reports issued by the Central Bank of Saudi Arabia and the relevant supervisory and supervisory authorities and make recommendations to the Board of Directors.
- w. Determine monthly salary, incentive bonus, and other awards for internal audit management or external auditor according to the company's internal regulations approved by the Board.
- x. Determine the monthly salary, incentive bonus, and other awards for compliance management or compliance officers in line with the company's internal regulations approved by the Board.
- y. Ensure that a written professional code of conduct is available after approval by the company's board of directors to ensure that the company's activities are carried out fairly and ethically.
- z. Follow up on essential lawsuits filed by or against the company with the Compliance or Compliance Officer, and report periodically to the board.
- AA. Ensure optimal use of it and the availability of controls to obtain accurate and reliable information and data.

#### Article 40: Responsibility of the Commission

- A. The Review Committee members shall be responsible to the Central Bank of Saudi Arabia, the shareholders of the Company, and the Board of Directors for implementing the provisions of this Regulation and for implementing the work plan of the Audit Committee issued by the Board of Directors.

- B. In performing their duties, members of the Commission must present the Company's interest to any other considerations that may affect their work and decisions.
- C. The review committee has the right to communicate directly with the board of directors and senior management of the company, all employees, committees, legal advisers, internal and external auditors at the main center and branches of the company, and other parties related to the company. It has access to all records and documents that are private and confidential, and necessary for the performance of its business. The Review Committee may use any outside consulting firm to do such Specific tasks to assist in implementing their work
- D. All members of the Review Committee must keep confidential the topics related to the work of the Review Committee, even after they have left the Committee
- E. A member of the Review Committee may not be in a direct interest or Indirect business and contract for the company's account
- F. A member of the Review Committee shall not participate in any work to compete with the company or trading in the company's activities. The Company shall seek compensation for any damage caused by this act or behavior.
- G. The Company shall not issue or renew any insurance policy to any member of the Review Committee or its related parties prior to payment of the entire installment due, and if any member of the Review Committee claims payment of compensation for an insurance policy issued by the Company. The claimant must be treated in accordance with the procedures set out in the Rules applicable to Customer claims and without preferential treatment. With notice to the legal observer of any compensation to the member.

## Rule XI and fortieth: Meetings of the Committee

- A. The Review Committee meeting is held only with at least half of its members present.
- B. The Review Committee holds at least six meetings a year, including an annual meeting with the Board. The Review Committee may, whenever necessary, hold further meetings in response to, but not limited to, any of the following:
  - 1. Request from the Chairman of the Board.
  - 2. In case it requires the external or internal auditor, the compliance officer, or the actuary to request a necessary meeting with the Committee.
  - 3. Minutes of meetings shall be retained and signed by the Chairman, members, and the Committee's Secretary. These records shall be distributed to the relevant persons within a period not exceeding (15) days.
  - 4. Meetings on other matters such as:
    - a) Audit and financial issues.
    - b) Systemic issues
    - c) Conflict of interest.
    - d) Code of ethics and professional conduct.

## Article 42: Resolutions of the Commission

- A. The majority shall issue the decisions of the Review Committee. In the event of equal votes, the Chairman's vote shall be considered, with the Secretary of the Review Committee confirming the views of all parties to the minutes of the meeting.
- B. Decisions of the Review Committee may not be voted on behalf of a member.

### Rule forty-third: Attendance at meetings of the Committee

The Review Committee may invite those it deems from within or outside the company to attend its meeting if necessary.

### Article 44: Plan of work of the Review Committee

The Review Committee should develop a working guide approved by a Board decision containing the rules, responsibilities, and obligations of the Review Committee. The Review Committee should develop a detailed annual work plan containing the main topics to be discussed during the year and its meeting dates.

### Article V and 40: Links of the Commission to external auditors

- A. The relevant topics between the Audit Committee and the External Auditors include, at a minimum, the following:
- B. The company made significant modifications to its accounting policy.
- C. The significant disagreements with the management on issues related to protecting invested assets.
- D. Violate the regulations, regulations, and instructions issued by supervisory and regulatory bodies or fail to comply with company policies and procedures.
- E. Other reviewers' visuals (for branches outside the Kingdom) on accounting procedures, reports and professional behavior.
- F. Deficiencies in the overall structure and functioning of internal controls.
- G. Material errors in financial statements.
- H. Management decisions and the basis upon which external auditors relied on the fairness of sensitive accounting estimates such as technical allocations and reserves.
- I. Accounting principles, standards, and disclosure decisions related to unusual transactions.
- J. Adequacy of the technical provisions and precautions adopted by the actuary.

- K. Reports of the actuary concerning the financial statements.
- L. Any major management problems have affected the audit work.
- M. Internal control, asset valuation and financial convenience of the company.
- N. Any other matters that the Marswan Committee is aware of and are within its responsibility.
- O. Any modifications to the scope and causes of the review work.
- P. Review the management letter prepared by external reviewers and the company's management visuals about it.

#### **Article VI and 40: Remuneration of members of the Commission**

1. Instead of attending the committee's meetings, Al Fan (2,000) Saudi Arabian F per member for each session.
2. Instead of attending the committee's meetings, one thousand and five hundred (1,500) Saudi bank of the committee's Secretary for each session.
3. The Company shall pay both the Chairman and the members of the Commission in accordance with the actual invoices provided, not exceeding one thousand and five hundred (1,500) Saudi passengers per member attending the meeting as compensation for the expenses of accommodation, food, transportation, etc. when attending the meetings of the Commission.
4. The Review Committee Secretary is entitled to remuneration for completing their duties for each session, the determination of the award by a board of directors' decision.

## Executive Committee regulation

### Article VII and 40: The capacity of the Commission

The board appoints a board-of-directors committee in accordance with the approved system of the General Assembly of the company, which reports directly to the board of directors.

### Article 48: Purpose of the Commission

The Commission aims to ensure decision-making at the highest levels to achieve its objectives with flexibility under the powers granted to it by the Board of Directors.

### Rule 49: Composition of the Commission

The Executive Committee shall be constituted by the Governing Council as follows:

- A. The Committee's membership shall not be less than three or more than five members.
- B. The Committee shall consist of executive and non-executive members.
- C. The term of office of the committee members is related to the session of the Council.

### Article 50: Terms of reference and responsibilities of the Commission

1. Subject to any instructions set by the Central Bank of Saudi Arabia or established by the Board of Directors, the Executive Committee shall assume all powers determined by the Central Bank of Saudi Arabia or the Council and the cooperation of the Executive Committee, the Executive Chairman, and the Managing Director.
2. The Committee shall exercise all powers conferred on it to perform its duties toward the board of directors' meetings, and its members shall have access to the confidential information of the Company.

3. To formulate, review, communicate and manage the Company's corporate communications for the interests of shareholders, customers, employees, and other stakeholders.
4. The Committee shall discuss and take decisions on emergency topics requiring urgent decision-making.
5. The Commission's responsibilities include making decisions regarding the company's day-to-day business.
6. Adopting budget adjustments and final appropriation of capital expenditure items according to the terms of reference of the Commission set out in terms of reference.
7. Approve company business policies and procedures.
8. Monitor and recommend the performance of the Executive Chairman and senior management.
9. The Commission shall carry out the work listed below about the Company's strategy:
  - A. Review the company's strategic planning procedures and processes in collaboration with the CEO.
  - B. Ensure that strategic plans that meet the company's goals are completed.
  - C. Review the CEO's recommendations regarding the allocation of company resources that aim to align the company's strategic plans with its long-term operational objectives.
  - D. Periodic review of the company's strategic plans and operational objectives, its subsidiaries (if any) to ensure that they align with the company's objectives.
  - E. Monitor the implementation of Governing Council policies and procedures.
10. The committee prepares recommendations for the board regarding the company's operational priorities and strategies.

11. The company does the work listed below regarding the company's financial planning:
  - A. Prepare and review annual and long-term financial goals and strategies and make the necessary recommendations to the Governing Council.
  - B. Review the financial aspects of the company in cooperation with the executive management of the company and the review committee.
  - C. Prepare and review profit distribution policies and implement and suggest recommendations to the Board.
  - D. Periodic review of the actual capital expenditures to match the Governing Council approved budgets.
12. The Committee shall submit a periodic report at least every six (6) months on its work to the Governing Council.
13. Inform the Board of any conflict of interest arising from decisions taken by the Committee.
14. Prepare an annual review and appraisal of the Commission's activities and its members.
15. The Council shall be provided with all records of the meetings of the Committee.

## **Article XI and 50: Meetings of the Committee**

- A. The Executive Committee shall hold at least six meetings per year.
- B. The Committee shall be entitled to convene a meeting at any time (excluding from such periodic conferences), if necessary.
- C. No person other than the Chairman, members, and Secretary of the Committee shall be entitled to attend the meetings of the Executive Committee, and the Committee shall be entitled to invite those it deems necessary to participate in its discussions.
- D. Minutes of meetings shall be retained and signed by the Chairman, members, and the Committee's Secretary. These records shall be distributed to the relevant persons within a period not exceeding (15) days.

## **Article II and 50: Secretary of the Commission**

The Committee shall appoint a Secretary to deal with administrative functions, prepare the calendar of meetings, schedule meetings of the Committee and record its meetings.

## **Article III and 50: Remuneration of members of the Committee**

5. Instead of attending the meetings of the committee, Al Fan (2,000) Saudi Arabian F per member for each session.
6. Instead of attending the meetings of the committee, one thousand and five hundred (1,500) Saudi bank of the committee's Secretary for each session.
7. The Company shall pay both the Chairman and the members of the Commission in accordance with the actual invoices provided, not exceeding one thousand and five hundred (1,500) Saudi passengers per member attending the meeting as compensation for the expenses of accommodation, food, transportation, etc. when attending the meetings of the Commission.

## List of the Investment Committee

### Fifty-fourth article: Capacity of the Commission

A board committee appointed by the board of directors according to the approved system of the company's General Assembly, which reports directly to the board of directors.

### Article V and 50: Purpose of the Commission

Review and evaluate investment offers for investment opportunity creation and evaluation and recommend them within the limits of the terms of reference set by the Board.

### Article VI and fiftieth: Composition of the Commission

The Investment Committee shall be constituted by the Board as follows:

- A. The membership of the Committee shall not be less than three.
- B. The Committee shall include separate, executive and non-executive members
- C. The Council shall appoint a Chairman of the Committee from among its members
- D. The term of office of the members of the Committee is linked to the session of the Governing Council

### Article VII and 50: Terms of reference and responsibilities of the Commission

1. Subject to any instructions set by the Central Bank of Saudi Arabia or established by the Board of Directors, the Investment Committee shall assume all powers delegated by the Board of Directors and the cooperation of the Committee by

the Executive Chairman and the Managing Director regarding investment decisions.

2. The Commission shall exercise all the powers conferred on it to carry out its duties toward its shareholders and the strategy of the company.
3. The committee is responsible for preparing the company's investment policy and should present this policy to the Central Bank of Saudi Arabia and obtain its approval of the investment policy.
4. Prepare and formulate a company's investment policy and follow up its implementation and approval annually by the Board of Directors, and this policy should be amended only after the Board has approved any amendment that it may be tempted to approve.
5. Oversee the implementation of the investment policy and portfolio operations within the established strategic and risk frameworks.
6. Review and make recommendations on specific policies, objectives, and investment plans.
7. Take the necessary steps to communicate and ensure that the relevant staff understands the investment activities directly and indirectly.
8. Strategic distribution of assets to significant investment groups.
9. Review the performance of each asset class.
10. Establish limits on the distribution of assets according to geographical regions, financial markets, related sectors, securities, and currencies.
11. Identify and identify illiquid assets and place investment restrictions on them.
12. The Commission continuously monitors the performance of the investment company's portfolio and reports quarterly.
13. Periodically monitor and monitor investment risk.
14. The Commission's responsibilities include making investment decisions within the mandate of the Governing Council.

15. Comprehensive review on an annual basis of the adequacy of the investment policy in light of the company's activities, the general risk tolerance ratio, long-term risk-return requirements, and solvency status.
16. Review reports of ignorance prepared for external asset managers or any third party providing investment-related services.
17. Undertake a comprehensive annual assessment of investment service providers, asset management, and third-party stakeholders to ensure that the circumstances on which they are identified are consistent and that there is no fundamental change that could lead to a company's re-examination of their dealings with that entity.
18. Recommend the appointment of investment managers, assets, or portfolio managers licensed by the Financial Market Authority or any other regulatory body or authority if investments are outside the Kingdom.
19. Manage the relationship between the company and the officially appointed asset managers.
20. Making sure that the company's investments comply with the investment regulation issued by the Central Bank of Saudi Arabia.
21. Monitor and recommend the performance of the CEO and senior management of the company's investments.
22. The Committee shall submit a periodic quarterly report on its work to the Board of Directors and on the performance of the portfolios to the Board of Directors.
23. Inform the Board of any conflict of interest arising from decisions taken by the Committee.
24. Preparation of an annual review and appraisal of the activities of the Commission and its members.
25. The Council shall be provided with all records of meetings of the Committee

## Article VIII and 50: Meetings of the Committee

- A. the Investment Committee holds at least four meetings per year.

B. decisions and recommendations of the Committee shall be issued by a majority of the votes of its members present. In the event of an equality of votes, the side with which the Chairman of the Committee shall vote shall be most likely.

Meeting minutes are kept according to prepared records.

D. the committee shall hold a (unique) meeting and without the presence of senior executive management with professional accountants of the company at least once a year.

E. · No person other than the chairman, members, and secretaries of the Commission shall be entitled to attend the meetings of the Commission on Investment, and the Commission shall be allowed to invite those it deems necessary to participate in its discussions.

F. minutes of meetings are retained and signed by the Chairperson, members, and Secretary of the Committee. These records shall be distributed to the relevant persons within a period not exceeding (15) days.

### **Article 9 and 50: Secretary of the Commission**

The Committee shall appoint a Secretary to deal with administrative functions, prepare the calendar of meetings, schedule meetings of the Committee and record its meetings.

### **Article 60: Remuneration of members of the Commission**

8. Instead of attending the meetings of the committee, Al Fan (2,000) Saudi Arabian F per member for each session.

9. Instead of attending the meetings of the committee, one thousand and five hundred (1,500) Saudi bank of the committee's Secretary for each session.

10. The Company shall pay both the Chairman and the members of the Commission in accordance with the actual invoices provided, not exceeding one thousand and five hundred (1,500) Saudi passengers per member attending the meeting

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as compensation for the expenses of accommodation, food, transportation, etc. when attending the meetings of the Commission.

## List of the Committee on nominations and rewards

### Article 61: The capacity of the Commission

A board committee appointed by the board according to the rules approved by the General Assembly of the company.

### Article sixty-second: Purpose of the Commission

Nominating for board membership and setting policies and standards for compensation for the company's board members and senior executives.

### Article sixty-third: Composition of the Committee

The Nominations and Rewards Committee is set up by the Board as follows:

- A. The membership of the Committee shall not be less than three members.
- B. Two of the appointed members shall be separate members.
- C. The Committee does not chair the Chairman of the Board.
- D. The term of office of the Committee members is linked to the session of the Governing Council.

### Article sixty-fourth: Terms of reference and responsibilities of the Commission

The functions and responsibilities of the Nominations and rewards Committee include:

- A. Propose clear policies and standards for membership in the Board and senior executive management.
- B. Recommend to the Governing Council nomination for membership of the Board and its committees in accordance with regulatory requirements, policies, and standards adopted.

- C. Develop a functional description of executive members, non-executive members, independent members and senior executives.
- D. Annual review of the required skills requirements for Board membership and its committees, preparation of the description of the capabilities and qualifications as are necessary for senior executive management positions, membership of the Board and its committees, determination of the time required for the member to devote to the work of the Board or Board committees, assessment of the structure and composition of the Board and its committees, periodic identification of weaknesses and proposal of steps Need to be addressed.
- E. Assess and monitor the independence of Council members and its committees and ensure that there is no conflict of interest, including the annual assurance of independence of independent members.
- F. Establish clear policies for compensation and remuneration of members of the Board, its committees, and members of senior management, and submit them to the Governing Council for approval by the General Assembly, taking into account, disclosures, and verification of performance-related criteria.
- G. Periodic review of the reward policy and assess its effectiveness in achieving its objectives.
- H. Clarify the relationship between awards and applicable bonus policy, and indicate any substantial deviation from this policy.
- I. Supervise the periodic evaluation of the performance of Council members and committees.
- J. Recommendation for appointment and exemption of members of senior management.
- K. Establish special procedures in the event of a vacancy in the status of a board member or senior executive.

- L. Propose a succession policy and procedures for the Chief Executive and senior management and monitor the application of succession plans and procedures.
- M. Review compensation plans for senior management members.
- N. Supervision of the introduction program and periodic training of Board members.
- O. Recommend to the Board on issues related to nominations, bonuses for board members, committees arising from them, and senior executives of the company in accordance with the approved policy.

#### **Article V and 60: Procedure for nomination**

- A. The Nominations Committee shall, when nominating members of the Board, take into account the terms and conditions outlined in these Regulations and the requirements established by the Board.
- B. The number of candidates for the Governing Council whose names are before the General Assembly must exceed the number of seats available so that the General Assembly can select from among the candidates.

#### **Article VI and sixtieth: The right of the contributor to standing for election**

Each member of the Company shall be entitled to nominate himself or herself for board membership in accordance with the provisions of the Companies Regulations and the Executive Regulations.

#### **Article VII and sixtieth: Publication of the Declaration of candidacy**

The Company shall publish the nomination declaration on the Company's website, the market website, and any other means specified by the Authority; This is to invite those who wish to be nominated for membership of the Board of Directors, with the nomination open for at least one month from the date of the announcement.

## Article VIII and sixtieth: Meetings of the Committee

- A. The Committee on nominations and bonuses shall meet at least two meetings per year.
- B. The Chairperson of the Commission shall prepare the agenda for the topics to be presented at the meetings of the Commission in consultation with other members.
- C. No person other than the Chairman, members, and Secretary of the Committee shall be entitled to attend the meetings of the Committee on nominations and bonuses, and the Committee shall be entitled to invite those it deems necessary to participate in its meetings.
- D. Meeting records shall be submitted to the Governing Council.
- E. Minutes of meetings shall be retained and signed by the Chairman, members, and the Committee's Secretary. These records shall be distributed to the relevant persons within a period not exceeding (15) days.

## Rule IX and sixtieth: Secretary of the Commission

The Committee shall appoint a Secretary to deal with administrative functions, prepare the calendar of meetings, schedule meetings of the Committee and record its meetings.

## Article 70: Remuneration of members of the Committee

- 11. Instead of attending the meetings of the committee, Al Fan (2,000) Saudi Arabian F per member for each session.
- 12. Instead of attending the meetings of the committee, one thousand and five hundred (1,500) Saudi bank of the committee's Secretary for each session.

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13. The Company shall pay both the Chairman and the members of the Commission in accordance with the actual invoices provided, not exceeding one thousand and five hundred (1,500) Saudi passengers per member attending the meeting as compensation for the expenses of accommodation, food, transportation, etc. when attending the meetings of the Commission.

## Risk Committee regulation

### Article seventy-first: The capacity of the Committee

According to the board of directors, a board committee is appointed by the board of directors according to the approved system of the company's General Assembly, which reports directly to the board of directors.

### Article 72: Purpose of the Commission

The Risk Management Committee of the Board of Directors aims to assist the Board in the performance of its corporate governance responsibilities in the risk management area, as well as the obligation to oversee and monitor the company's risk management plan and related practices and to apply them in the light of the Board's approved risk management strategy.

### Article seventy-third: Composition of the Committee

The risk committee is set up by the Board as follows:

- A. The Committee shall be composed of at least (3) members who know financial management and risk management.
- B. A non-executive member chairs the risk Management Committee.
- C. The term of office of the Committee members is linked to the session of the Governing Council.

## Article seventy-fourth: Responsibilities and terms of reference of the Commission

The functions and responsibilities of the Commission shall consist of:

- A. Identify risks to the company and maintain an acceptable level of corporate risk.
- B. Supervise and evaluate the effectiveness of risk management systems.
- C. Verify the feasibility of continuing the business successfully, identifying risks that would continue over the next 12 months.
- D. Develop a comprehensive risk management strategy for the company, supervise its application, review and periodically update it, and consider relevant internal and external variables.
- E. Review risk management policies.
- F. Periodically review and reassess the company's level of risk appetite and risk exposure.
- G. Provide detailed reports to the board about potential risks and make recommendations for managing them.
- H. Advise the Board on risk management.
- I. Ensure that adequate resources and systems are available for risk management.
- J. Review and make recommendations on the risk management organizational structure prior to its adoption by the Board of Directors.
- K. Verify the independence of risk management personnel from activities that may result in a company's exposure to risk.
- L. Ensure that risk management personnel understand the risks around the company and increase awareness of the risk culture.

- M. Review issues raised by the Review Committee that may affect risk management in the company.
- N. The Committee shall report to the Board on the results of its work in accordance with the controls and mechanisms contained in the risk Management Charter. The minutes of the Risk Management Committee meetings shall be submitted to the Board for briefing and briefing.
- O. If needed, the Commission may use outside advisory services to perform its functions at the company's expense after taking the board of directors' approval.

## Article 75: Meetings of the Committee

- A. The Committee shall meet at least four times a year. An invitation is sent to the meeting, with the agenda and related materials attached.
- B. The meeting shall be held only in the presence of at least two-thirds of the Committee members, including the Chairman of the Committee.
- C. Decisions and recommendations of the Committee shall be issued by a majority of the votes of the members of the Council, and, in the event of an equality of votes, the President of the Committee shall vote in favor
- D. Minutes of meetings shall be retained and signed by the Chairman, members, and the Committee's Secretary. These records shall be distributed to the relevant persons within a period not exceeding (15) days.
- E. Meeting minutes shall be submitted to the Governing Council for briefing.
- F. No person other than the chairman, members, and secretaries of the Commission shall be entitled to attend the Risk Committee meetings, and the Committee shall be entitled to invite those it deems necessary to attend its meetings.

## **Article VI and seventy: Secretary of the Commission**

The Committee shall appoint a Secretary to deal with administrative functions, prepare the calendar of meetings, schedule meetings of the Committee and record its meetings.

## **Article seventy-seventh: Remuneration of members of the Committee**

14. Instead of attending the meetings of the committee, Al Fan (2,000) Saudi Arabian F per member for each session.
15. Instead of attending the meetings of the committee, one thousand and five hundred (1,500) Saudi bank of the committee's Secretary for each session.
16. The Company shall pay both the Chairman and the members of the Commission in accordance with the actual invoices provided, not exceeding one thousand and five hundred (1,500) Saudi passengers per member attending the meeting as compensation for the expenses of accommodation, food, transportation, etc. when attending the meetings of the Commission.

## **Part VII: Oversight functions**

### **Article 78: Internal control system:**

The Board of Directors should adopt an internal control system for the Company to evaluate policies and procedures for risk management and to apply the terms of its approved corporate governance rules. Compliance with the relevant regulations and regulations, this system must ensure that clear standards of accountability are followed at all operational levels of the company and that the relevant parties'

dealings are carried out in accordance with their respective provisions and regulations.

#### **Article 49: Establishment of independent units or tools in the company:**

A. in order to implement the approved internal control system, the Company shall establish units or departments for risk assessment and management, and internal audit.

B. the Company may use third parties to exercise the functions and functions of units or departments of risk assessment and management, internal audit, and without prejudice to the Company's responsibility for such functions and functions.

### **Risk management**

#### **Article 80: The role and responsibilities of risk management:**

Terms of reference. Risk management is responsible for identifying, evaluating, measuring, controlling, limiting, and monitoring the various types of risk for the company ongoing at the company's departmental level.

1. The Company's risk management functions and responsibilities include, but are not limited to, any other regulatory or regulatory requirements:

A. apply the Board's approved risk management strategy.

B. Corporate risk profile monitoring.

C. develop effective risk management policies and procedures to identify, assess, measure, control, and control those risks.

D. identify emerging risks and suggest appropriate ways to mitigate and control them.

E. Review the level of company acceptance of risks, and their exposure to them, regularly.

F. create an emergency plan to ensure business continuity.

G. Coordination with senior management to ensure the efficiency and effectiveness of risk systems.

Risk Management shall exercise its functions and activities in light of the regulatory requirements for risk management and other regulatory regimes issued by the Central Bank of Saudi Arabia and the regulators.

3. Ensure that risk management is autonomous from all operational departments.

4. Risk Management is headed by risk Management and can report to the CEO, and the risk leader has direct contact with the Council's risk Committee without any hindrance.

5. Enough employees are employed to suit the nature and size of the business.

## Internal review

### Article XXXI: Composition of the Internal Audit Department:

The Internal Audit Department shall consist of at least internal references, recommended by the Audit Committee and accountable to it, and shall take into account the composition and functioning of the Department:

1. Staff must be competent, autonomous, and adequately trained and be charged with any other work other than internal audit and internal control.

2. The Administration should report to the Review Committee and be associated and accountable to its Board.

3. To determine the remuneration of the Director of Internal Audit based on the Board's decision in accordance with the company's policies.

4. Access and access information, documents, and documents without restrictions.

## Article XXII: The role and responsibilities of the Department of Internal Audit:

The overall tasks and responsibilities of managing internal audits include but are not limited to the following:

1. Assess the effectiveness and efficiency of internal controls, policies and procedures, and the reporting mechanism of the company and its compliance and make recommendations for improvement.
2. Verify compliance with internal policies, plans, procedures, standards, laws and regulations.
3. The credibility, integrity and integrity of financial and non-financial information and the means to achieve, measure and classify it, and to report this information to the Review Committee.
4. Efficient and effective systems design, review implementation and performance and operational efficiency.
5. The independence of internal audit management is achieved by its administrative review only and functional review committee.
6. Full and unrestricted access to all facilities, activities, data and company information.

## Article XXIII: Internal audit management plan:

Internal Audit Management operates on a comprehensive review plan approved by the Audit Committee, which updates the plan annually and must review key activities and processes, including at least annual risk management and compliance management activities.

## Article 54: Internal audit report:

A. the Internal Audit Department prepares a written report on its work and submits it to the Board and the Audit Committee at least quarterly. This report should include assessing the company's internal control system and its findings and

recommendations, and an indication by the departments that each department has taken on the handling of the previous audit's findings and recommendations and any observations on this matter.

B. the Internal Audit Department prepares a written report and submits it to the Board and the Audit Committee on the audits performed during the fiscal year and compares it with the approved plan, indicating the reasons for any breach or deviation from the plan.

C. the scope of the internal audit management report shall be determined by the Board of Directors on the recommendation of the Audit Committee, which shall include:

1. Financial supervision, consultation, and risk management procedures.
2. Assessing the evolution of risk factors in the firm and existing systems to counteract unexpected market changes.
3. Evaluation of the performance of the Board and senior management in the application of the internal control system, including the determination of the number of times the Board has been notified of oversight matters and how these issues have been addressed.
4. Failures to implement internal controls, weaknesses in their application, or emergencies that have affected the company's financial performance and how the company handled this failure.
5. The extent to which a company complies with internal controls in identifying and managing risks.
6. Information that describes the company's review and risk management processes.

## Compliance monitoring

### Article 5 and eighty: The role and responsibilities of monitoring compliance

The overall tasks and responsibilities of the Compliance Control Department include - Ali, To name but a few - as follows

1. Monitor the Company's compliance with all relevant regulations, regulations, and instructions issued by the Central Bank of Saudi Arabia or other regulators and take the necessary measures to improve the company's regulatory compliance.
2. Ensure that there is a high level of responsiveness to regulatory requirements imposed by regulators such as the Central Bank of Saudi Arabia, the Health Security Council, the Financial Market Authority, the Ministry of Commerce, and others, and ensure that you comply fully with the requirements, and report on them in a timely manner.
3. ensure that senior/executive management has an adequate understanding of the non-compliance risks that the company may face and that it assesses the controls, processes, systems, policies, and procedures involved to see how effective it is in the face of such risks.
4. take the necessary steps toward promoting and encouraging a highly efficient, corporate-wide commitment culture.
5. full and unrestricted access to all company facilities, activities, data, systems, records, information, and property of the company and to any of its affiliates.
6. Review the procedures and operations of any department in the company to verify its full compliance.
7. to act as a consultant to the company's focal points for matters related to the obligation within the company.

8.the Compliance Department is independent of any other administrative, operational, or control function that the Company enters to enable it to carry out its work freely and objectively.

9.the independence of compliance management is achieved through its functional authority, which is the Audit Committee, and the Compliance Manager cannot communicate directly with the Audit Committee on compliance issues.

### Assigned actuary

#### Article VI and eighty: Role and responsibilities of the assigned actuary

The general functions and duties of the designated actuary include, but are not limited to, the following:

1. Obtain all necessary information from the previously assigned actuary.
2. Examine the company's overall financial situation.
3. Assessing the company's capital adequacy.
4. Assess the company's ability to meet its future commitment.
5. Pricing of protection, savings, health insurance, and vehicle insurance products with recommendations on the adequacy of premium rates for other general insurance categories of products.
6. Identify and recommend technical allocations to the company.
7. Coordinate with risk management officers in the company to assess the impact of substantial risk and identify the appropriate mechanism to mitigate its effects.
8. Assess the adequacy of reinsurance arrangements and appropriate levels of risk retention and recommend the optimum retention level.

9. To make recommendations to the Board of Directors on the Company's investment policy, taking into account the nature and timing of the obligations to policyholders and the availability of appropriate assets.
10. Determine the company's overall surplus or deficit.
11. Preparing the relevant reports and according to the financial reporting models required by the Central Bank of Saudi Arabia.
12. Review the company's subscription.
13. Write an annual report explaining the efficiency of the company's technical reserves and the prices of insurance products.  
Analysis of the evolution of the insurance portfolio and cost analysis.
15. Writing a report that demonstrates the appropriateness of the assets for responsibilities  
Advice on any actuarial matters.

## Auditor

### Article VII and eighty: Assignment of the auditor's function

The company is responsible for reviewing its annual accounts for independent, competent, experienced, and qualified references to prepare an objective and independent report to the Board and its shareholders indicating whether the company's financial statements reflect the financial position of the company and its performance in material respects.

### Article VIII: Appointment of an auditor

The General Assembly shall appoint one (or more) auditor(s) from among the auditors authorized to work in the Kingdom, shall determine their remuneration

and duration of work, and shall not be eligible for reappointment; The total duration of his appointment shall not exceed five consecutive years, and those who take advantage of this period may not be re-appointed two years after the expiry date. The General Assembly may also, at any time, change them without prejudice to their right to compensation if the change occurs at an inappropriate time or for an unlawful reason and the appointment of the Auditor by the Assembly on the nomination of the Governing Council/taking into account the following:

1. his nomination shall be on the recommendation of the Review Committee.
2. to be licensed to him or to meet the conditions established by the competent authority.
3. the number of candidates shall not be less than two.
4. the auditor shall submit to the General Assembly an annual report prepared in accordance with the common auditing standards and procedures, which shall ensure that the management position of the company enables it to obtain the data and clarifications it has requested and that it has disclosed a violation of the provisions of the Cooperative Insurance Control System, its implementing Regulations and Regulations Other regulations and instructions are relevant to the company's foundation system and its opinion on the fairness and transparency of the company's financial statements. Suppose the Assembly decides to endorse the report of the Governing Council and the financial statements without hearing the Auditor's report. In that case, the Auditor shall read its report in the General Assembly.

## Senior and executive management

### Article IX and eighty: Functions and responsibilities of senior and executive management:

1.Senior Management shall be responsible for overseeing the daily activities of the Company, without prejudice to any other control or supervisory requirements that include, but are not limited to, senior management duties:

A.implement the company's strategic plans, and the approved internal policies and regulations of the board of directors

B. proposes a comprehensive strategy for the company and the primary and stage action plans, investment policies and mechanisms, finance, risk management, and management plans, and implementation of the management conditions.

C. proposal for the company's optimal capital structure, strategy, and financial goals.

D. proposal of the company's principal capital expenditure and ownership and disposal of the assets.

To propose the organizational and functional structures of the company and submit them to the board of directors for consideration.

And .implement the Company's governance rules effectively in a manner that does not conflict with the provisions and regulations of the supervisory and supervisory authorities and propose to amend them when needed.

G. develop policies and procedures to ensure the efficiency and effectiveness of the internal control system and supervise it.

2.implementation of and general supervision of internal control regulations and controls, including:

A.implement a conflict of interest policy

B. correctly applies financial and accounting systems, including preparing financial reports.

To implement appropriate control systems to measure and manage risks by developing a general perception of the risks that a company may face, creating a risk reduction culture at the company level, and introducing it with the board and other stakeholders.

To ensure compliance with the approved risk level of the Board of Directors, implement the internal control and risk management systems, verify the effectiveness and adequacy of those systems, and ensure compliance with the risk level adopted by the Board of Directors.

Implementing policies and procedures that ensure that the Company complies with regulations and regulations and is bound to disclose material information to shareholders and stakeholders.

To propose policies and types of rewards that allow workers, such as fixed bonuses, performance-related bonuses, and equity awards.

G. propose and develop internal policies related to the company's work, including identifying tasks, competencies, and responsibilities assigned to different organizational levels.

To propose clear policies to delegate the work to them and how to implement them.

I propose the powers delegated to it, the decision-making procedures, and the mandate period, and to report periodically to the Board on the exercise of those powers.

Managing and managing the company's daily activities and managing its resources optimally and in accordance with the company's goals and strategy.

C. establish procedures for identifying, quantifying, mitigating, and monitoring risk.  
.Save documents and audit.

Work as directed by the Board of Directors and submit periodic financial and non-financial reports on the progress of the company's activity in light of the company's strategic plans and objectives.

To provide the Board with the information necessary to exercise its competence and to make recommendations concerning:

- 1.increase or decrease the company's capital.
- 2.dissolve the company before the deadline set out in its base system or decide whether to continue it.
- 3.use the Company's Agreement Reserve.
- 4.Configure additional Company Precautions.
- 5.How to distribute the company's net profits.

Ensure that all regulatory and supervisory requirements are met to the maximum extent possible. Participate in building and developing a culture of ethical values within the company.

**3.** Each post in senior management shall have a documented and detailed job description identifying roles, responsibilities, specifications, qualifications, reporting lines, mechanism of interaction with other internal authorities, powers, and limits of authority.

**4.** Senior management members have the necessary skills, knowledge, and experience to ensure that the company's activities are effectively managed. The Central Bank of Saudi Arabia should be provided information on the competence and qualifications of senior management at the request of the Central Bank of Saudi Arabia.

**5.** Senior management will provide the board with a comprehensive presentation on the administration's performance at least every board meeting.

6. The priority in senior positions for Saudi Arabia's, if a non-Saudi appointment is needed, the company must demonstrate that Saudi Arabia is not available to fill the required position based on the appointment requirements for the leadership positions issued by the Saudi Central Bank in July 2013.

#### **Article 90: Providing members with information**

Senior/executive management shall provide the board of directors, non-executive members in particular, and all committees with all necessary information, data, documentation, and records, complete, clear, correct, unshaded, and timely, to enable them to perform their duties and functions.

#### **Article 99: Retention of documents**

All records, documents, reports, and other documents required to be retained under these regulations must be kept at Headquarters for at least ten years, including the Board of Directors, the Review Committee's report, and the internal audit management reports without breach to this clause, in the case of a judicial case, including any existing lawsuit, any threatened lawsuit, or any proceedings of a list of those reports or documents cannot be retained until the end of such judicial proceedings Claim or existing investigation procedures.

## Part VIII: Obligations of the Company to the rules of disclosure and transparency

### Article 99: Clarity, validity, and completeness of disclosure information

A) any disclosure by the Company must be complete, clear, correct, and unmisleading and be published through the means specified in the Rules of Listing.

B) If the Company considers that disclosure of a matter to be disclosed under these Rules can cause non-justified damage and that non-disclosure is unlikely to mislead the investors with regard to facts and circumstances in which knowledge is necessary to evaluate the relevant securities, The Company may apply for exemption from disclosure or delay in time. In such a case, a statement of pertinent information and the reasons they disclose the information should be submitted to the Panel in complete confidentiality. The Authority may approve or reject the request for exemption or delay. If the Authority agrees to the application, it may at any time require the company to declare any information regarding the related exemption or delay.

C) All material information and developments provided for this section shall be confidential until they are made public. Before such a statement is made public, the Company is prohibited from disregarding information to parties that have no obligation to maintain and protect the confidentiality of the data. The Company must also take all necessary steps to ensure that no material information and development are leaked before it is announced according to the inclusion rules.

D) the Company must determine the extent to which an announcement needs to be made to the public to respond to any rumors concerning any substantial

developments, and the Authority must oblige the Company to do so as it deems appropriate.

### Article 99: Obligation to disclose substantial developments

The Company must disclose to the Authority and the public without delay any substantial developments within its activity, and its knowledge is not available to the public. It may affect its assets and liabilities, financial position, or the general course of its business or its affiliates. It could reasonably lead to a change in the price of the listed securities or significantly impact the firm's ability to meet its obligations concerning debt instruments.

### Article 99: Disclosure of certain events

The Company shall immediately disclose to the Authority and the public, without delay, any of the following developments, whether or not they are substantial:

- 1) any transaction for the purchase, sale, mortgage, or lease of an asset at a price equal to or greater than 10% of the company's net assets in accordance with the last audited initial financial statements or annual audited financial lists, whichever is the later.
- 2) any indebtedness outside the regular activity of the Company in the amount equal to or greater than 10% of the Company's net assets in accordance with the

last audited initial financial statements or annual audited financial lists, whichever is the latest.

3) any losses equal to or greater than 10% of the Company's net assets according to the last checked preliminary financial lists or annual audited financial lists, whichever is the latest.

4) any significant change in the company's production or activity environment includes, but is not limited to, the abundance and accessibility of resources.

5. The CEO of the company or any change in the composition of its board or review committee members.

6) any dispute, including any litigation, arbitration, or mediation if the amount of the debate or claim is equal to or greater than 5% of the Company's net assets by the last audited preliminary financial lists or annual audited financial lists, whichever is the later.

7) any judicial decision made against the Board or a Board member if the subject of the judgment is related to the board's work or one of its members.

8) Increase or decrease in the company's net assets by or equal to 10% according to the last audited initial financial statements or annual audited financial lists, whichever is the latest.

9) increase or decrease in the company's total profits by or greater than 10% according to the last revised annual financial lists.

10) Enter into an income contract equal to or greater than 5% of the company's total revenue according to the last revised annual financial lists or the unexpected termination of that contract.

11) any transaction between the Company and a related party or arrangement whereby the Company and a related party invests in or finances any project or asset if the transaction or arrangement is equal to or greater than 1% of the Company's total revenues according to the last revised annual financial lists.

- 12) any interruption in any of the company's significant activities or its affiliates (if any) equals or exceeds 5% of the Company's total revenue according to the last revised annual financial lists.
13. Any change in the statute or headquarters, the company's head.
- 14) any change in the legal accountant
- 15) file a liquidation or issuing a liquidation or company designation or any of its subordinated under the corporate system.
- 16) a decision by the Company or any of its followers to dissolve or liquidate the Company, an event or an end to a period of time requiring the Company to be placed under liquidation or resolution
- 17) any recommendation or decision by the owner of the company's authority to apply to the court to open any bankruptcy proceeding of the company under the bankruptcy system, indicating its effect on the financial position or general course of business.
18. The Company received a communication from the Court by a third party requesting the opening of the financial reorganization procedure, the beginning of the liquidation procedure, or the opening of the administrative liquidation procedure under the bankruptcy system, indicating its effect on the financial position or general course of operation of the Company.
- 19) under the bankruptcy regime, a company is required to open any bankruptcy proceedings to the court, explaining future steps and their time limits and indicating the effect on the company's financial position or general course of business.
- 20) the judgment of the Court's first and last instance - to open any of the Company's bankruptcy proceedings under the bankruptcy system, clarifying future steps and their time-limits and indicating the effect on the company's financial position or the general course of its business.

21) the judgment of the Court of first and final – refusing or rejecting the application for opening any bankruptcy proceeding of the company under the bankruptcy regime, and opening the appropriate bankruptcy procedure, explaining the reasons for the refusal and indicating its effect in the financial situation or general course of operation.

22) the judgment of the primary and final court - terminating the financial reorganization procedure or closing the preventive settlement procedure of the company under the bankruptcy system, or terminating either of them and opening the appropriate bankruptcy procedure under the bankruptcy regime, indicating the effect of that on the financial position or general course of operation of the company.

23) dispute before the competent court concerning the opening or refusal of any bankruptcy proceeding under the bankruptcy regime, termination or non-termination of the preventive settlement or reorganization proceeding under the bankruptcy regime, indicating its effect on the financial position or general course of operation of the company

24) the judgment in the objection referred to in paragraph (23) the article shall be rendered by supporting or overruling the Court judgment and adjudication of the case under the bankruptcy regime, indicating its effect on the financial position of the Company or the general business course.

25) any substantive developments in the Company's reports in the bankruptcy procedure under the bankruptcy regime, indicating the effect of this on the financial position or general course of business, unless the Secretary, the bankruptcy committee, or the competent authority decides that it is confidential under the bankruptcy regime and its executive regulation.

26) A judgment, decision, declaration, or order of a court or judicial body, whether at the primary or appellate stage, that can adversely affect the exploitation of the company for any part of the company's assets above 5% of the company net assets

in accordance with the latest preliminary financial statements or financial statements Annual review, whichever is newer.

27) Convening and agenda of the General Assembly or the Special Assembly.

28. Outcome of the General Assembly's meeting or the Special Committee.

29) any proposed change in the company's capital.

30) any decision to declare, recommend, pay, or make other distributions to the listed securities holders.

31) any decision or recommendation not to distribute profits in cases where the company is expected to distribute profits.

32) any decision to call, buy, repurchase, withdraw, reclaim or offer to purchase his securities, the total amount, and the number and value of the securities.

33) any decision not to pay in respect of debt instruments or convertible debt instruments.

34) any change in the rights associated with any listed equity categories or convertible debt instruments.

## Article 5 and 90: Disclosure of financial information

A) the Company shall disclose its annual financial statements and initial financial statements for the first, second and third quarter of its financial year to the Authority and the public immediately upon approval and prior to publication to shareholders or others. For this article, the acceptance of financial statements shall be as follows:

1) about the initial financial statements, they shall be approved after they have been approved by the Governing Council and signed by a member authorized by the Board, the Executive Chairman, and the Finance Director.

For annual financial statements, they shall be approved in accordance with the provisions of the corporate system.

B) the Company shall disclose, through the electronic systems designated for this purpose of the market, the initial and annual financial lists.

C) the Company must prepare and inspect the initial financial statements in accordance with the SAPA's approved accounting and auditing standards and disclose them to the public within a period not exceeding (30) days from the end of the financial period covered by these lists

D) the Company must prepare and review annual financial statements following the SAPA's approved accounting and auditing standards and disclose them to the public within a period not exceeding three months from the end of the annual financial period covered by these lists. The company must inform these balance sheets within a minimum of (28) calendar days before the source's annual General Assembly date.

E) the Company must ensure the commitment of the legal accountant reviewing the financial statements and any partner has compliance with the Saudi Organization of rules and regulations by the Chartered Accountants regarding the ownership of any shares, Company securities, or its subordinated to ensure the independence of the legal accountant and any partner or employee in his office.

## Article VI and 90: Report of the Governing Council

The Company shall provide the Authority and disclose to shareholders within a period not exceeding three months from the end of the annual financial period a report issued by the Board of Directors containing the information required under

the Corporate Governance Regulation and subject to its operations during the last fiscal year. All the factors influencing the company's business that the investor needs to assess the firm's assets, liabilities, and financial position.

### **Article 7 and 90: Duties of members of the Board and senior executives**

Members of the company's board of directors and senior executives must exercise their powers and carry out their duties in the company's interests.

### **Article VIII: Documentation and documentation to the Board**

The Company must provide the Authority with copies of any address, documents, or information made available to the Contributors or sent to them unless disclosed through the Market.

### **Article 9 and 90: Transactions of major shareholders and convertible debt instruments**

A) Anyone should notify the market if became an owner or interest in one or more of the voting rights categories in company shares or the transferable debt instruments of the company within a period not exceeding the third trading day following the transaction or event that resulted in the ownership or interest. The

notice includes a list of persons interested in the shares or convertible debt instruments they own or control.

(B) the person referred to in paragraph (a) of this article shall notify the market of any change that occurs on the list of persons referred to in paragraph (a) of this article, Whether this is the result of an event that requires the addition of a person to that list or the exclusion of any of the persons already included in it, within a period not exceeding the third trading day following the event that led to the related changed.

For the purposes of this article, the person shall be notified of the market in accordance with paragraph (a) of. Ownership or interest in 5% or more of any category of foreign company's listed shares in the primary market in accordance with voting eligibility rules - limited to those listed in the primary market in accordance with inclusion rules

D) for the purposes of this article, when calculating the total number of shares or convertible debt instruments of any interested person, a person shall have an interest in any convertible debt stock or instruments owned or controlled by any of the following persons:

- 1) the relatives of that person.
- 2) a company controlled by that person.
- 3) any other persons acting in agreement with that person to obtain an interest or exercise voting rights in the company's convertible debt stock or instruments.

E) the notices referred to in this article shall be in accordance with the models prepared in this regard, with the notification referred to in paragraph (a) of this article containing at least the following information

- 1) the names of the shareholders or transferable debt instruments, or those who have the right to dispose of them.
- 2) the details of the ownership process.
- 3) Details of any material support from another person for the ownership process or financing of loans.

### Article 100: Dealings of members of the Board and senior executives

A) neither the members of the Board, nor the members of the Review Committee, senior executives, or any person in relation to any of them may deal with any securities of the Company during the following periods:

- 1) within the (15) calendar days preceding the end of the fiscal quarter until the date of disclosure of the initial financial statements of the Company after its examination required to be disclosed under paragraph (a).

During the 36 calendar days preceding the end of the fiscal year until the date of disclosure of the revised annual financial statements or the initial fourth-quarter financial statements if the company disclosures after examination and meeting the requirements of article sixty-fourth of these rules.

(B) the prohibition referred to in paragraph (a) of this Article shall seek to exercise and sell the right to subscribe to priority rights.

C) upon the expiry or dismissal of a member of the Board of Directors, the termination of membership of any member of the Review Committee, or the resignation of any of the senior executives of the Company during any of the prohibitions referred to in paragraph (a) of this article, this period shall apply (Where applicable to that member or chief executive and any person related to them).

## Article one hundred: Restrictions on shares

A) major shareholders in the company that show the release or registration document must not dispose of their shares in the company within the six months following the date on which the company's shares started trading in the market unless the company has defined a more extended ban period than the release leaflet or the registration document

B) if the registered owner shown by the release leaflet or registration document is different from the utility owner, the utility owner must certify that the registered owner will not dispose of any of its shares within the six months following the beginning date of stock trading. A person is a beneficial owner of stock if he or she has the ultimate beneficial ownership or control of shares through several chain companies or others.

(C) the shares of the persons referred to in paragraph (a) of this article shall be deemed during the period of prohibition as a result of the increase in the capital of the exporter by issuing capitalization within the prohibited shares until the period provided for in paragraphs (a) and (b) has expired in this article.

## Article 2 of the hundred: Persons authorized to disclose

1. The following persons are authorized by the Company and have the power to disclose on behalf of the Company:
2. Chairman of the Board
3. Any member authorized by the Board of Directors
4. Executive Chairman.
5. Financial Manager.
6. In order to ensure compliance with the disclosure policy, persons with disclosure authority may authorize people on their behalf to disclose only in absolute necessity, provided that such authorization is in writing using any of the technology.

7. In general, no one of the employees or consultants of the Company except those authorized by the Company shall disclose any information or answer questions relating to the Company's activities without prior authorization from the Board of Directors.
8. In disclosing any financial information or substantial development, the Company must do so by means specified in the relevant regulations or regulations or by means that guarantee or are expected to ensure that the information reaches all shareholders without discrimination or preference.
9. The disclosure of public reports that may impact the company's operations or its value must be coordinated with the CEO, Chief of Finance, or any other person identified by the CEO.
10. Suppose a company employee participates formally in any public event. In that case, he or she must ensure that any disclosure of company information is in accordance with the company's disclosure policy and after obtaining prior written consent from the disclosure officials.
11. The disclosure must be fully aware of the company's activities and operations, and the CEO of the company is responsible for ensuring that those responsible are committed to it.

### **Article one hundred and third: Language of disclosures, notifications, and declarations**

All advertising, notices, and reports issued by the Company shall be in Arabic and English. In the event of any conflict between the Arabic text and the English text, the Arabic text shall be taken.

## **Article one hundred and fourth: Review of transparency and disclosure policy**

In coordination with the CEO and any other person, the Board of Directors is responsible for reviewing and improving the Company's transparency and disclosure policy on an annual basis.

## **Article one hundred and fifth: Confidential information**

1. The information is confidential if it is information that affects the company's business or competitive position and is not to be disclosed under the relevant regulations and regulations.
2. The right to access confidential information is limited to the following:
  - A. Board members.
  - B. Members of the Executive Committee, whatever their position.

## **Article one hundred and sixth: Internal information**

1. Inside information is information that is not publicly available about the company's activities and shares, and that will affect the market value of the company's shares, including:
  - A. Information directly related to the company or any of its subsidiaries and their shares.
  - B. Information of a special nature.
  - C. Any information that is classified as non-public.
  - D. Information, if disclosed, will affect the market value of the company's shares.
2. Any person who can access inside information, whether by judicial decision, by the nature of his or her employment, or according to the company's internal laws, may be considered an internal person. The person is regarded as an inner person if:
  - A. Board members or senior executives and individuals involved in the internal control of the company and its affiliates.

- B. People hired by their company or subsidiaries which perform their functions include knowledge of its internal information.
  - C. Appointed by government or supervisory authorities.
3. All internal persons are prohibited from disclosing or discussing inside information.
  4. The Chief Executive will be responsible for ensuring that the Company applies the laws and requirements outlined in the Company's statute, internal regulations, and other internal regulatory documents in order to prevent conflicts of interest within the Company and to ensure that internal information is not mis-used by employees and management departments of the Company.

## **Part 9**

### **Publication and enforcement**

These Regulations shall be from the date of their adoption by the General Assembly.