

# Governance and Control Policy

Version 26.0

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## 1. Basic Principles

Allianz Saudi Fransi Cooperative Insurance Company, a joint stock company organized and existing under the laws of the Kingdom of Saudi Arabia, holding the Foreign Investment License number -01 102030071979-01 dated 26/01/1426H, and the Commercial Registration number 1010235601 dated 26/06/1428H, whose registered capital is SAR 600,000,000 (including the paid-up amount), and with its principal office address at [2323 Makkah Al Mukarramah Rd – Az Zahra Unit No.7636 Ar Riyadh 12811-7634 , Kingdom of Saudi Arabia ] (referred to herein as "Allianz SF" or "AZSF"), considers responsible corporate governance to be a key challenge and essential condition for the creation of sustainable value for its shareholders and all other stakeholders.

The corporate governance structures of a company are subject to various factors of influence. Their basis is formed by obligatory legal requirements, supplemented by the Saudi Corporate Governance Regulations and applicable laws in this regard (as amended from time-to-time). Essential elements of good corporate governance are above all the paying of absolute attention to the interests of shareholders, efficient cooperation between corporate bodies as well as transparent communication.

### I. Minimization of Possible Conflicts of Interest

Good corporate governance aims to minimize potential conflicts between the different stakeholders of a listed company. The Policy is mandatory within Allianz SF and the Company shall adopt this Policy along the principles and processes laid-out herein and within the scope of this Policy. Separate conflict of interest policy for the Board of Directors Members shall apply.

### II. Compliance of the Saudi Arabian Corporate Governance Regulations

The Company considers that good corporate governance is critical to its success. This requires the implementation of a clear framework for transparency and disclosure which the Company believes is reflected in the structure and guidelines provided for below:

1. Rights of Shareholders and the General Assembly.
2. Disclosure and Transparency.
3. Board of Directors.

Allianz SF practices full compliance of all aspects of the Corporate Governance Regulations.

The Capital Market Authority (CMA) Corporate Governance Regulations website:

[http://www.cma.org.sa/cma/cms/upload\\_sec\\_content/dwfile19/convE.pdf](http://www.cma.org.sa/cma/cms/upload_sec_content/dwfile19/convE.pdf)

The Saudi Central Bank (SAMA) Insurance Corporate Governance Regulation website:

<http://www.sama.gov.sa/ar-sa/Laws/InsuranceRulesAndRegulations/Corporate%20Governance%20Regulation.pdf>

## 2. Introduction to the Company

### I. The Company

Allianz Saudi Fransi Cooperative Insurance Company is a public joint stock company registered in Saudi Arabia under Commercial Registration number 1010235601 dated 26/06/1428H, pursuant to the Ministerial Resolution No.142 dated 8/6/1428H (corresponding to 24/6/2007G) and in accordance with Royal Decree number M/60 dated 18/09/1427H corresponding to 11/10/2006G to engage in different types of cooperative insurance activities in accordance with the principles of the Saudi Cooperative Insurance Law and its Implementing Regulations, all under the supervision of the Saudi Central Bank "SAMA".

## II. Date of Incorporation

The Company is registered in Saudi Arabia under Commercial Registration Number 1010235601 pursuant to the Ministerial Resolution No. 142 dated 8/6/1428H (corresponding to 24/6/2007G) and in accordance with Royal Decree No. M/60 dated 18/09/1427H (corresponding to 11/10/2006G).

## III. Name of the Company

The Company's name changed from "Saudi Fransi Cooperative Insurance Company" to "Allianz Saudi Fransi Cooperative Insurance Company" pursuant to the modified Commercial Registry issued on 1st September 2010, based on the approval of SAMA (Ref: 58732/MT/1675).

## IV. Company's Share Capital

The initial share capital of the Company was SR 100,000,000 consisting of 10,000,000 shares with a nominal value of SR 10 each, all of which are fully paid. On April 2010, the Company has increased its capital by offering 10,000,000 ordinary shares at an offer price of SR 12.5 per share (nominal value of SR 10 plus a premium of SR 2.5) through a rights issue. This offering represents an increase in the Company's Capital of SR 100,000,000 and a total offer premium of SR 25,000,000. The share capital of the Company became SR 200,000,000 consisting of 20,000,000 shares with a nominal value of SR 10 each, all of which are fully paid. On July 2020, the Company has increased its capital by offering 40,000,000 ordinary shares through a rights issue. This offering represents an increase in the Company's Capital of SR 400,000,000. The share capital of the Company became SR 600,000,000 consisting of 60,000,000 shares with a nominal value of SR 10 each, all of which are fully paid.

## V. Main Offices

Offices	Addresses	Contact Numbers
Riyadh Head Office & Riyadh Branch	Al Safwa Commercial Building, Khorais Road - Al Khaleej Bridge, Malaz District, PO Box 3540, Riyadh 11481	Toll Free: 8003010001 Tel: 966 (11) 8213000 Tel: 966 (11) 920028727 Fax: 966 (11) 8213999
Jeddah Regional Office	9133 Ibrahim Al Jaffali - Al Andalus Dist. Unit No 3 Jeddah 23326 - 3755 Kingdom of Saudi Arabia	Tel: 0118213720 Fax:
Khobar Branch (Corporate Sales & Claims)	7553 Ibn Ash Shwkani - Ar Rakah Al Janubiyah Dist. Unit No 886 Al Khobar 34226 - 4785 Kingdom of Saudi Arabia	Tel: 0118213600 Fax:
Hasa Branch (Retail Sales and Claims)	2691 - Al Shurofiyah Dist. Unit No 60 Al Mubarraz 36342 - 6126 Kingdom of Saudi Arabia	Tel: 0118213600 Fax:
Madinah Branch (Retail Sales & Claims)	3360 King Abdul Aziz Branch Road - Al Ariyd Dist. Unit No 45 Al Madinah Al Munawwarah 42314 - 6109 Kingdom of Saudi Arabia	Tel: 0118213720 Fax:
Riyadh – VFS Visa Center (Point of Sale)	Jouf Plaza (Hyper Panda) Umm Al-Hammam St, Umm Al-Hammam, Riyadh	Toll Free: 8003010001

## VI. Key History

<b>October 2006</b>	The founders receive authorization to establish the Company as per Royal Decree No. 60/M
<b>March 2007</b>	The Company goes public through an Initial Public Offering.
<b>June 2007</b>	The Constituting General Assembly is held.
<b>March 2008:</b>	The Operational License from SAMA (Ref: TMN/11/20083) is obtained.
<b>September 2008:</b>	The Company moved to the New Head Office in Riyadh and received its 1st products approval.
<b>October 2008</b>	The Board of Directors recommended increasing the capital to SAR 200 Mn.
<b>November 2008</b>	SAMA has approved the transfer of Insaudi portfolio subject to no goodwill. (SAMA letter Ref 2294/MZ/MT).
<b>December 2008</b>	The Company expands its geographical presence to cover Riyadh, Jeddah, Medina, Dammam, Khobar, and Al Hasa.
<b>January 2009</b>	The General Assembly agrees on the transfer of the Insaudi Portfolio as of 1st January 2009.
<b>January 2009</b>	Insaudi portfolio transfer was completed and integrated in the opening balance sheet for 2009.
<b>March 2009</b>	Individual Protection & Savings P&S products approval received.
<b>June 2009</b>	The Company Launched the Direct Sales force P&S operation.
<b>November 2009</b>	The Bancassurance Protection & Savings products approval was received.
<b>April 2010</b>	The Company Completed its 10 million shares rights issue and the Capital became SAR 200 Mn.
<b>June 2010</b>	The Company has received SAMA approval to transfer the Bancassurance P&S portfolio previously booked by Banque Saudi Fransi.
<b>August 2010</b>	The General Assembly approved the new members of the Board of Directors for three years up to 7th August 2010.
<b>November 2010</b>	The Company transferred the Bancassurance Protection & Savings portfolio from BSF.
<b>March 2011</b>	The 3 year Operating License renewal from SAMA was obtained on 30/2/1432H corresponding to 3/2/2011G.
<b>June 2011</b>	The Company Launched the Protection & Saving Products “Golden Version” Sharia compliant.

<b>December 2011</b>	The Company Financial Statements for the 4th fiscal year is showing positive results.
<b>January 2012</b>	Restructure of Direct Sales Force for Retail Business.
<b>August 2012</b>	Restructure of the Corporate Sales Force.
<b>January 2013</b>	Launched common platform for all Sales Channels including Sales Support function.
<b>August 2013</b>	Xavier Denys succeeded Antoine Issa as company Chief Executive Officer.
<b>January 2014</b>	The Company obtained from SAMA the renewal of its operational license for another 3 years.
<b>May 2014</b>	Mr. Ammar Alkhudairy appointed as new Chairman of the Company.
<b>September 2014</b>	D&O Liability and Medical Malpractice Insurance Products approved by SAMA.
<b>November 2014</b>	Mr. Oliver Bäte, Future CEO of Allianz SE (effective 7 <sup>th</sup> of May 2015) visited the Company.
<b>September 2015</b>	Mr. Sergio Balbinot, Member of Allianz SE Board of Management, Insurance Western & Southern Europe, Middle East, Africa, India visited the Company.
<b>October 2015</b>	The Company obtained from SAMA the Visitor Insurance Product Approval.
<b>November 2015</b>	Launching of the new strategic initiatives (Renewal Agenda).
<b>December 2015</b>	The Company achieved the highest Net Profit – before zakat and tax since the establishment.
<b>February 2016</b>	Renewal Agenda officially kick off and announcement to employees.
<b>February 2016</b>	The Company participated in the Janadriyah Festival as part of the German Guest of Honor Pavilion
<b>November 2016</b>	The Company obtained from SAMA the renewal of its operational license for 3 years.
<b>December 2016</b>	Full-fledged Customer Call Center launched.
<b>February 2017</b>	SME Health Insurance Product was approved by SAMA.
<b>March 2017</b>	Abdulrahman Al Sughayer appointed as new Chairman of the Company.
<b>March 2017</b>	Retail Point of Sale launched and started at VFS Joint Visa Center in Riyadh.
<b>April 2017</b>	The General Assembly approved the amended Bylaws of the Company.

<b>June 2017</b>	Customer Care & Complaints Department was officially created.
<b>September 2017</b>	Motor Fast Quote tool launched in AzSF's website.
<b>October 2017</b>	Allianz Europe B.V. purchased 18.5% stake in Allianz Saudi Fransi from Banque Saudi Fransi lifting Allianz Group's share capital in the company to 51%.
<b>January 2018</b>	Credit Insurance "Corporate Advantage" was approved by SAMA.
<b>March 2018</b>	Eng. Alwaleed Al Dryaan appointed as new Chairman of the Company's Board of Directors term ending on 7 <sup>th</sup> August 2019.
<b>September 2019</b>	Eng. Alwaleed Al Dryaan has appointed again as a Chairman of the Board of Directors term starting on 8 <sup>th</sup> August 2019 to 7 <sup>th</sup> August 2022
<b>July 2020</b>	The Company Completed its 40 million shares rights issue and the Capital became SAR 600 Mn.
<b>May 2021</b>	Anuj Agarwal joins as Chief Executive Officer of the company
<b>December 2021</b>	The Extraordinary General Assembly of the Company approved the amended company by-laws.
<b>August 2022</b>	New Board of Directors session 2022-2025 approved by SAMA & the Company General Assembly

## VII. Vision

To be amongst the top Saudi insurance companies with global expertise and local insight, Providing world class products and services in all lines of business with nationwide reach using diverse channels of distribution, through highly trained and motivated employees.

## VIII. Mission Statement

Create Trust – Deliver Excellence from A to Z.

## IX. Core Beliefs

Our core beliefs in Allianz is a reflection of our name

- A: Accountability
- L: Leadership
- L: Longevity
- I: Integrity
- A: Ambitiousness
- N: Nurturing
- Z: Zealousness

And we take pride in delivering excellence from A to Z.

## X. Values

Integrity, Sustainability, Expertise.

## XI. Shareholding Structure

The initial share capital of the Company was SR 100,000,000 consisting of 10,000,000 shares with a nominal value of SR 10 each, fully paid. After the Rights Issue of April 2010 the Company's Capital became SR 200,000,000 consisting of 20,000,000 shares with a nominal value of SR 10 each fully paid. The Founding Shareholders own 13 million shares representing 65% of the share capital of the Company. The remaining 7 million shares representing 35% are owned by the public. In October 2017, Allianz Europe BV bought 3,700,000 shares (18.5%) from Banque Saudi Fransi. This made Allianz entities' total shareholding to 51%. On July 2020, the Company has increased its capital by offering 40,000,000 ordinary shares through a rights issue. This offering represents an increase in the Company's Capital of SR 400,000,000. The share capital of the Company became SR 600,000,000 consisting of 60,000,000 shares with a nominal value of SR 10 each, all of which are fully paid.

Below is a table showing the shareholders' structure of the Company:

Shareholder	Percentage	Number of Shares
Allianz Europe B.V.	18.50 %	11,100,000
Allianz France	16.25 %	9,750,000
Allianz MENA Holding Bermuda	16.25 %	9,750,000
Banque Saudi Fransi	14.00 %	8,400,000
Public	35.00 %	21,000,000
<b>TOTAL</b>	<b>100.00%</b>	<b>60,000,000</b>

## XII. Competitive Advantages

With the Allianz Group and Banque Saudi Fransi as major Shareholders, the Company benefits from the global expertise of one of the world's leading insurers as well as the local insight of one of a leading bank in the Kingdom of Saudi Arabia. The Company believes that the combination of leading technical know-how and standards and local expertise to provide corporate and individual customers with premium solutions for their insurance needs.

The Company anticipates that it will be able to rapidly adapt global solutions to local needs and develop various channels of distribution enhancing the accessibility to customers including:

1. Bancassurance: the distribution of retail insurance products through Bank Saudi Fransi's branches pursuant to the Bancassurance agreement with Banque Saudi Fransi.
2. Direct Sales Force: the distribution of a comprehensive range of individual insurance products through an in-house sales force highly trained and spread throughout branches all across the country.
3. Brokers: the distribution of corporate solutions through selective local or international brokers well established in the country.
4. Other distribution channels: The Company also intends to explore new sales avenues such as online sales.

Over the next five years, the Company plans to significantly expand both its branch network as well as its sales force across the Kingdom of Saudi Arabia. The Company expects to increase its branch network from 5 currently over the next few years and will also benefit from the ever expanding geographical footprint of one of its Shareholders, i.e. Banque Saudi Fransi.

### **3. Company's Bylaws**

Allianz Saudi Fransi Cooperative Insurance Company is a public joint stock company registered in Saudi Arabia under Commercial Registration Number 1010235601 dated 26/06/1428H, pursuant to the Ministerial Resolution No. 142 dated 8/6/1428H (corresponding to 24/6/2007G) and in accordance with Royal Decree No. M/60 dated 18/09/1427H (corresponding to 11/10/2006G), with its latest approved by the Company's Extraordinary General Assembly through its meeting which was held on 29/12/2021G, and authenticated by the Ministry of Commerce on 15/07/1443H

#### **I. Objectives of the Company**

The objectives of the Company is to engage, in accordance with the provisions of the Saudi Cooperative Insurance Law and its Implementing Regulations and the rules and regulations in force in the Kingdom of Saudi Arabia, Practicing cooperative insurance business in the branches of general insurance, health insurance, and protection and savings insurance. The Company may undertake all the work that is required to be carried out to achieve its purposes. The Company shall practice its activities in accordance with Cooperative Insurance Companies Control Law and its by-laws, the provisions issued by the Central Bank, and the regulations and rules applicable in the Kingdom of Saudi Arabia, after obtaining the necessary licenses from the competent authorities, if any. The Company may own or have interest in or participate in any way with any other entity undertaking similar activities or other financial activities which may help the Company realize its objectives, or merge with those entities or acquire them. All the above activities can be exercised inside or outside the Kingdom of Saudi Arabia.

#### **II. Duration of the Company**

The duration of the Company shall be 99 Gregorian years commencing on the date of its registration with the commercial register at the Saudi Ministry of Commerce. The Company's period may always be extended through a resolution adopted by the General Assembly in an extraordinary meeting taking place at least one year before the expiration of the Company duration.

#### **III. Initial Public Offering**

The Founders of the Company have subscribed for six million nine hundred thousand (6,900,000) of the Company's shares in the amount of sixty nine million Saudi Riyals (SAR 69,000,000) representing sixty percent (69%) of the ordinary shares of the Company, and have paid the entire value thereof at the incorporation of the Company. The remaining three million one hundred thousand (3,100,000) shares in the amount of thirty one million Saudi Riyals (SAR 31,000,000), were offered for public subscription following the issuance of the Royal Decree authorizing the incorporation of the Company. The shares were subscribed in full immediately following the offering. The Company's shares were complete and amounted to one hundred million (100,000,000) shares.

#### **IV. Rights Issue**

The Founders of the Company have subscribed in the Rights Issue of the Company for thirteen million eight hundred thousand (13,800,000) of the Company's shares in the amount of one hundred thirty eight million Saudi Riyals (SAR 138,000,000) representing sixty percent (69%) of the ordinary shares of the Company. The remaining six million two hundred thousand (6,200,000) shares in the amount of sixty two million Saudi Riyals (SAR 62,000,000), were offered for public subscription. The shares were subscribed in full immediately following the offering. The Company's shares were complete and amounted to two hundred million (200,000,000) shares. The Company's Capital has increased 100% after the Rights Issue and is currently two hundred million Saudi Riyals (SAR 200,000,000). The Company's shares were complete and amounted to six hundred million (600,000,000) shares. The Company's Capital has increased 200% after the Rights Issue and is currently six hundred million Saudi Riyals (SAR 600,000,000).

## **V. Tradability of Shares**

The shares subscribed by the founders may only be traded after publishing the financial statements of two fiscal years, each of which shall not be less than (12) twelve months from the date of the company's incorporation, and after obtaining the approval of the Saudi Central Bank. The warrants of these shares shall be marked with an indication of their type, date of company incorporation, and the period during which trading is prohibited.

During the restriction period, the ownership of shares may be transferred in accordance with the provisions of rights sale from a founders to another, from the heirs of a founder in case of his death to a third party or in the event of execution on the funds of the insolvent or bankrupt founder, provided that the priority of owning those shares is given to the other founders.

The provisions of this Article shall apply to what is subscribed by the founders in case of an increase in the capital before the expiry of the restriction period.

## **VI. Decrease of Share Capital**

The Extraordinary General Assembly may decide to reduce the capital if it exceeds the company's needs or if the company suffers losses after getting the approval of the Central Bank and the Capital Market Authority, provided that the paid-up capital for an insurance company after reducing the capital shall not be less than (100) one hundred million Saudi riyals, while the paid-up capital for a reinsurance company or an insurance company that is simultaneously engaged in reinsurance business shall not be less than (200) Two hundred million Saudi riyals.

The reduction decision shall only be issued after publishing a report prepared by the auditor on the reasons for such reduction, the obligations of the company, and the effect of the reduction in these obligations.

If the capital reduction is a result of its excess to the company's need, the creditors shall be invited to express their objections within (60) sixty days from the date of publishing the reduction decision in a daily newspaper distributed in the area in which the company's head office is located. If a creditor objects and submits his documents to the company on the aforementioned date, the company shall pay him his debt if it is immediate or provide him with a sufficient guarantee to pay the same if it is deferred.

## **VII. Constitution of the Board of Directors**

In November 2018, the Extraordinary General Assembly has agreed to increase the Board of Directors membership from six (6) members to nine (9) members which was approved by the competent KSA government authorities and reflected in the Company's Bylaws, to be appointed by the Ordinary General Assembly for a term not exceeding three years. The composition of the board of directors shall reflect the representation of an appropriate number of independent directors. In all cases, the number of independent directors shall not be less than two directors or one third of the directors of the Board, whichever is greater. Such appointment shall not contravene a juridical person's right to change its representative in the Board.

## **VIII. Board of Directors Shares**

Each member of the Board of Directors shall give shares having a nominal value of not less than SR 5,000 for the contracts that may be entered into between the member and the Company and which had been approved by the General Assembly in its ordinary meeting. The right to seize such shares includes the shares due dividends, if any.

## **IX. Vacancies**

Membership of the Board shall be terminated upon the expiration of the appointment period, or the resignation, or death or if the Board discovers that a member is in breach of his obligations in a manner harming the interest of the Company, provided the same is accompanied by the approval of the Ordinary General Assembly, or the expiration of the membership under any applicable law or regulation in the Kingdom of Saudi Arabia. The membership may also be revoked if the member is absent from three consecutive meetings without justification or if he is declared bankrupt or insolvent or has made a

settlement request with his creditors or has ceased to pay his debts or if he has become mentally ill or is proved to have committed a dishonest or immoral act or if he is convicted of forgery.

If a position becomes vacant on the Board, the Board may, temporarily, appoint a director in the vacant position, from amongst those having sufficient experience, after obtaining a non-objection from Saudi Central Bank (SAMA), and without consideration of the order of obtaining the votes in the General Assembly through which the Board of Director was elected. The Ministry of Commerce and the CMA as well shall be notified of the same within five (5) business days from the date of the appointment, and the appointment shall be presented to the Ordinary General Assembly at its first meeting. The new director shall complete the term of his predecessor.

## **X. Powers of the Board of Directors**

Without prejudice to any of the powers conferred on the General Assembly, the Board of Directors shall be vested with the broadest powers to manage the business of the Company and supervise its affairs in accordance with the Company's Bylaws and any applicable laws and regulations in the Kingdom of Saudi Arabia. The Board of Directors may delegate one or more of its members or a third party to undertake a specific function or functions, includes but not limited to.

1. Represent the Company in its relationship with third parties, authorities, Judicial Rights, police stations, chambers of commerce, all companies, establishments, banks, commercial banks and money houses, and all government financing institutions of different designations and functions, and other lenders;
2. Make admission, collect the outcome of enforcement, discharge the Company's debtors from their obligations, enter into tenders, and purchase and sell properties;
3. Enter into contracts and sign all contracts, documents and papers in the name and on behalf of the Company;
4. Sign agreements and deeds before the notary public and official authorities, loan agreements, securities, guarantees and deeds to sell and purchase properties;
5. Issue powers of attorney on behalf of the Company, sell, purchase, make transfer and accept transfer, receive and hand over, lease and rent, collect, pay, open accounts and credits, withdraw and deposit in banks, issue guarantees to banks, funds and government financing institutions, and sign all documents, promissory notes, cheques, all commercial papers, documents and all bank transactions.

## **XI. Executive Committee**

An executive committee constituted of a minimum of three members and a maximum of five members, is appointed by the Board of Directors. The members of the executive committee shall choose amongst themselves a chairman and in case of his absence, the committee will choose a temporary chairman amongst its members who are present. Members of the committee may delegate one another to vote on their behalf for only three meetings. The mandate of the members of the committee is the same mandate of the Board of Directors. The Board of Directors may fill in any vacancies in the Executive Committee.

The Executive Committee shall assist the Managing Director or the Chief Executive Officer within the limits of the powers granted to it by the Saudi Central Bank and the Board of Directors as instructed by them.

The meeting of the Executive Committee shall not be valid unless attended by at least two of its members (in person or by proxy) as long as the number of members themselves present shall not be less than two. The decisions of the Executive Committee shall be taken unanimously and in case of disagreement, the decisions shall be taken by the majority of three quarters of the members present in person or represented.

The Executive Committee shall convene from time to time whenever is deemed necessary by its chairman. However, it shall hold at least six meetings annually. A meeting of the Executive Committee may be convened at any time if at least two members of the Executive Committee so request. A decision approving such meeting shall be issued by the approval in writing of two of the Executive Committee members.

## **XII. Chairman of the Board and Managing Director**

The Board of Directors shall appoint a Chairman from among its members who must be a non-executive board member as well as a Managing Director, or a Chief Executive Officer.

The Chairman and the Managing Director or the Chief Executive Officer shall have the power to sign on behalf of the Company and execution of the Board's decisions.

They shall also have the power to represent the Company in its relationship with others and before judicial bodies.

The Chairman, Managing Director or Chief Executive Officer have the right to delegate third parties to undertake certain functions.

The Managing Director or Chief Executive Officer shall be responsible for the executive management of the Company. The Board determines salaries, allowances, and remunerations for each of the Chairman, Managing Director or Chief Executive Officer as prescribed in article (19) in the Company's Bylaws.

## **XIII. Secretary of the Board of Directors**

The Board shall assign a secretary to the Board of Directors. The secretary's competencies and remunerations shall be determined by a Board resolution.

In appointing a Board secretary, the Board, must specify the conditions that the secretary must meet, provided that they include one of the following conditions:

1. he/she holds a bachelor degree in law, finance, accounting or administration or their equivalent, and has relevant practical experience of not less than three years; or
2. he/she has relevant practical experience of not less than five years

In addition to the above, Secretary of the Board shall have adequate experience and knowledge of the Company's business and activities, possess strong communication skills, and be well-informed of applicable laws and regulations and best practices in corporate governance.

The Secretary of the Board may not be dismissed except pursuant to a decision of the Board.

## **XIV. Meetings and Resolutions of the Board of Directors**

Without prejudice to the Companies Law and Its Implementing Regulations, the Board shall convene regular meetings to perform its duties effectively, and also convene meetings whenever needed. The Board shall meet following an invitation by the Chairman or upon a request made to the Chairman by two of the Board members. The Board of Directors shall hold at least four meetings annually in a fiscal year. It is not permissible to let the period of three months pass without holding a meeting. The invitation to the meeting shall be sent to each of the Board members no less than five days prior to the date of the meeting accompanied by its agenda and the necessary documents and information, unless circumstance require convening an emergency meeting, the invitation accompanied with the agenda and necessary documents and information may be sent within a period less than the five days. Subject to the Company's Bylaws, a meeting is not validly constituted unless attended by at least two third of the members (in person or by proxy). The resolutions of the Board of Directors are taken by a majority of those members present or represented at the meeting.

## **XV. Audit Committee**

An Audit Committee shall be formed by a resolution of the Company's Ordinary General Assembly and the members of the audit committee shall be from the shareholders or others, provided that at least one of its members is an Independent Director and that no Executive Director is among its members. The audit committee will consist of at least three members and not more than five members, provided that one of its members is specialized in finance and accounting (as the Saudi Central Bank, the Ministry of

Commerce ,and the Capital Market Authority may decide in this regard). Who should be non-executive and in majority shall not be Board of Directors' members.

## **XVI. Remuneration of the Board of Directors**

Remuneration of the Board members shall be a specified amount, attendance allowance for sessions, benefits in kind, or a certain percentage of the net profits. Two or more of these benefits may be combined. If such remuneration is a certain percentage of the company's profits, then this percentage may not exceed (10%) of the net profits, after deducting the reserves decided by the General Assembly in application of the provisions of Cooperative Insurance Companies Control Law, Companies Law and these Articles, and after distributing a profit not less than (5%) of the company's paid-up capital to the shareholders, provided that the entitlement to this remuneration shall be proportional to the number of sessions attended by the member, and any assessment to the contrary shall be deemed void. In all cases, the total remunerations and financial or in-kind benefits received by a Board member shall not exceed five hundred thousand Saudi riyals annually (with exception of Audit Committee members), in accordance with the regulations set by the Capital Market Authority..

The report of the Board of Directors to the Ordinary General Assembly shall include a comprehensive statement of what is received by the Board members during the fiscal year including remuneration, expense allowance and other benefits. It shall also include a statement of what is received by the Board members in their capacity as workers or administrators, or what they received in return for technical or administrative work or consultancy. It shall also include a statement of the number of Board sessions and the number of sessions attended by each member from the date of the last meeting of the General Assembly.

*\*Maximum Annual Remuneration 5% of the Company's net Profit.*

## **XVII. General Assembly**

A properly constituted general assembly represents all shareholders in exercising their powers in respect of the Company and shall be held in the city where the company's head office is located or such other appropriate place to facilitate the participation of the largest number of shareholders.

Each shareholder, regardless of the number of his shares, shall have the right to attend the general assemblies of the shareholders, and may delegate someone other than the Board members or the company's employees to attend the general assembly. Shareholders shall be granted the opportunity to effectively participate and vote in the General Assembly meetings and meetings of the shareholders general assemblies may be held and the shareholder may participate in its deliberations and vote on its resolutions by means of modern technology according to the controls set by the Capital Market Authority.

## **XVIII. Quorum of Ordinary General Assembly**

A meeting of the Ordinary General Assembly shall be valid if attended by the shareholders who represent at least (half) of the company's capital.

If the necessary quorum is not achieved to hold the ordinary general assembly meeting in accordance with clause (1) of this article, an invitation shall be sent to for second meeting to be held within the thirty days following the previous meeting. This invitation shall be published as stipulated in Article (30) of the Bylaws. However, the second meeting may be held in an hour after the end of the period specified for convening the first meeting, provided that the call to hold the first meeting shall include an announcement of the possibility of holding this meeting. In all cases, the second meeting shall be valid regardless of the number of shares represented therein.

## **XIX. Voting Majorities**

Resolutions of the Ordinary General Assembly shall be adopted by an absolute majority vote of the shares represented thereat. However, if a resolution relates to valuing in kind or preferential shares, a majority of the subscribers of cash shares is needed such that they represent at least two thirds (2/3) of the mentioned shares after discounting the shares subscribed to by those given in kind shares or those benefiting from

preferential shares – such subscribers shall not have a vote in these resolutions, even if they also own cash shares. Resolutions of the Extraordinary General Assembly shall be adopted by a majority vote of two thirds of the shares represented at the meeting. However, if the resolution to be adopted is related to increasing or reducing the capital, extending the Company's period, dissolving the Company prior to the expiry of the period specified therefore under the Bylaws or merging the Company with another company or establishment, or otherwise amending these By-laws then such resolution shall be valid only if adopted by a majority of three-quarters (3/4) of the shares represented at the meeting.

## **XX. Appointment of Auditors**

The General Assembly shall appoint one (or more) auditors from among the auditors licensed to work in Saudi Arabia based on a recommendation from the Board provided the following requirements are met:

- i. the nomination shall be based on a recommendation from the audit committee; (b) the external auditor shall be authorized by the Competent Authority;
- ii. the external auditor's interests shall not conflict with the interests of the Company; and
- iii. the number of nominees shall not be less than two.

The General Assembly shall determine the remuneration of the auditors and the duration of their work. It may also reappoint them, provided that the total period of appointment does not exceed five consecutive years, and whoever has exhausted this period may be reappointed after two years from the date of its expiry. The General Assembly may also, at any time, change them without prejudice to their right to compensation if the change occurred at an inappropriate time or for an unlawful reason.

## **XXI. Access to Records**

The Auditor shall have access at all times to the Company's books, records and any other documents, and may request information and clarification as it deems necessary. It may further check the Company's assets and liabilities as well as other matters falling within the scope of his work. The chairman of the board shall facilitate the auditor's performance of his duties. If the auditor encounters difficulty in this regard, he shall report the same to the board of directors. If the board fails to facilitate the work of the auditor, he shall request the board to call for an ordinary general assembly meeting to consider the matter.

## **XXII. Auditor's Report**

The auditor shall submit a report to the General Assembly Annual Meeting in accordance with recognized auditing standards which includes the extent to which the Company's management was cooperative in providing the auditor in providing the requested information, its opinion as to whether the Company's accounts conform to the facts and whether it has discovered any violations of the Bylaws or the Companies Regulations. The auditor shall read his report at the general assembly meeting. If the general assembly decides to approve the report of the board and the financial statements without hearing the auditor's report, its decision shall be null and void.

## **XXIII. Annual Accounts**

The Board of Directors shall prepare at the end of each fiscal year an inventory of the value of the Company's assets and liabilities as that date; the Company's financial statements and a report on the Company's activities and financial position for the preceding year. The report shall include the method proposed by the Board for the distribution of net profits for that financial year and shall be ready within a period not exceeding forty (40) days after the end of the annual financial period to which they relate. The Board of Directors shall place such documents at the disposal of the Auditors at least forty five (45) days prior to the date set for convening the Ordinary General Assembly. The Chairman of the Board shall sign the said documents and they shall be placed at the disposal of the shareholders in the Company's head office at least twenty-one (21) days prior to the date set for the Ordinary General Assembly. The Chairman of the Board of Directors shall publish in a newspaper circulated in the city where the head office of the Company is located, the financial statements and a comprehensive summary of the Board of Directors' report and the full text of the Auditors' Report, and shall send copies of such documents to the Companies Department at the Ministry of Commerce and the Capital Market Authority at least fifteen (15) days prior to the date set for convening the Ordinary General Assembly.

## **XXIV. Insurance Accounts**

The insurance operations accounts shall be kept separate from the Shareholders' income statement, according to the following details:

- An independent account shall be dedicated to earned premiums, reinsurance commissions and other commissions;
- An independent account shall be dedicated to compensation incurred by the Company;
- There shall be determined at the end of every year the total surplus which represents the total premiums and compensation less marketing and administrative, and operational expenses and the necessary technical provisions in accordance with the directives in this regard;
- Net surplus shall be determined by: adding to, or subtracting from, the total surplus in paragraph (3) above, the policyholders' investment return share after calculating the policyholders' earnings and deducting what they owe in expenses realized; and
- Net surplus shall be distributed as follows: ten percent (10%) directly to the Policyholders and carrying over the balance to the Shareholders' income statement.

## **XXV. Shareholders' Income Statement**

The Shareholders' profits from the investment of their funds shall be in accordance with the rules set by the Board of Directors. The share of the Shareholders in the net surplus shall be as set forth in paragraph (5) noted directly above.

## **XXVI. Distribution of Annual Profits**

Shareholders' profits shall be distributed as follows:

- Zakat and tax allocations are to be withheld;
- Twenty percent (20%) of the net profits shall be set aside to form a statutory reserve. Such setting aside shall be discontinued when said reserve totals the entire paid-up capital;
- The Ordinary General Assembly may, upon request of the Board of Directors, set aside an additional percentage of the annual net profits to form an additional reserve to be allocated for the purpose or purposes decided by the Ordinary General Assembly;
- Out of the balance of the profits, there shall be paid to the Shareholders an initial payment of not less than five percent (5%) of the paid-up capital;
- The balance shall be distributed among the Shareholders as an additional share of the profits or transferred to retained profits account; and
- By resolution of the Board of Directors, periodic profits, deducted from the annual profits specified in subsection (4) above, may be distributed in accordance with applicable rules and regulations issued by competent authorities.

## **XXVII. Company Losses**

If the Company's losses total three-quarters of its capital, then the members of the Board shall call the Extraordinary General Assembly for a meeting to consider whether the Company shall continue to exist or be dissolved prior to the expiry of the period specified in the Company's Bylaws. In all cases the Assembly's resolution shall be published in the Official Gazette.

## **XXVIII. Dissolution and Winding up of the Company**

The Company shall expire upon the expiry of its term in accordance with the Bylaws or by reason of the provisions of the Companies Regulations. If the Company is dissolved prior to the time set for the expiry of such duration, the Extraordinary General Assembly shall, based on a proposal by the Board of Directors, decide the method of liquidation, appoint one or more liquidators and specify their powers and

remuneration. The powers of the Board of Directors shall cease upon the expiration of the Company. However, the Board shall continue the management of the Company until the liquidators are appointed. The Company's administrative departments shall retain their respective powers to the extent that they do not interfere with the powers of the liquidators.

## D. The General Assembly

### I. Shareholders' General Assembly

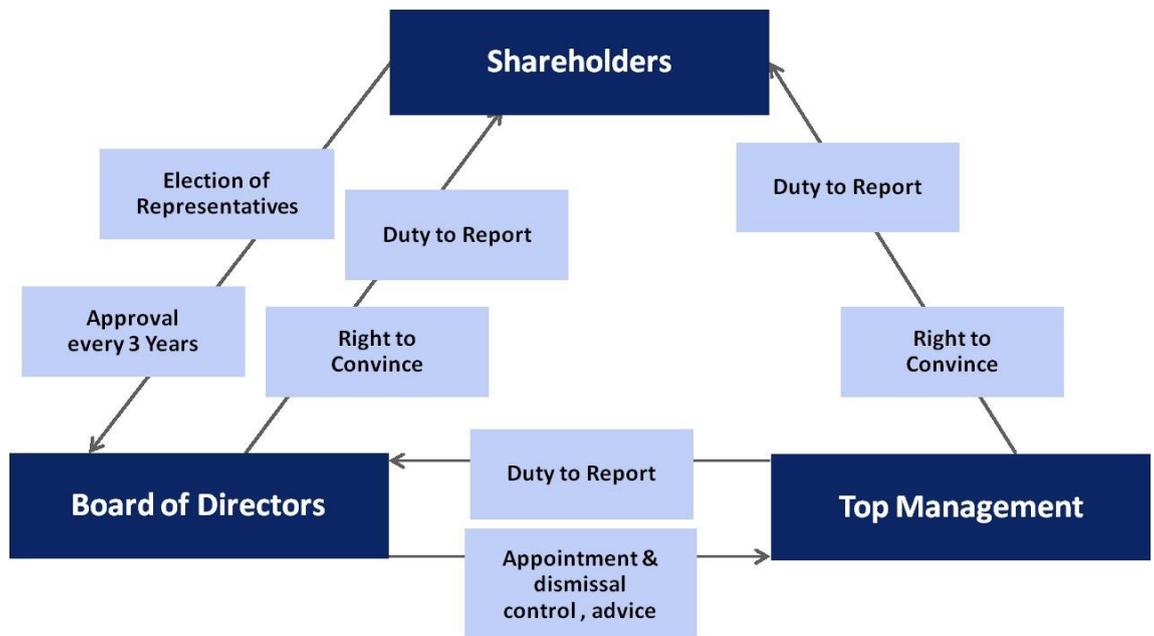
The Company endeavors to keep Shareholders up to date at the Shareholders General Assembly with regard to any major developments, and makes available periodical financial reports in line with the requirements of SAMA's guidelines and the requirements of the Listing Rules issued by the CMA.

### II. Shareholders' Participation

At the General Assembly the shareholders exercise their rights in matters concerning the Company. As a gathering of shareholders, the General Assembly elects its representatives on the Board of Directors and decides on whether to approve the activities of the Management and the Board of Directors. It decides on profit distributions, measures to procure or decrease capital, approval of affiliation agreements as well as changes to the Articles of Association. An ordinary Annual General Assembly (AGA) takes at least once per year within the six months following the end of the Company's financial year. In voting in the General Assembly for the nomination to the board members, cumulative voting shall be used provided that it is not allowed to use the voting right of a single share more than once. Every shareholder is entitled to participate at the General Assembly, to comment on any items on the agenda, to ask pertinent questions and to propose motions. A shareholder may, in writing, appoint any other shareholder who is neither a board member nor an employee of the company, to attend the General Assembly on his behalf.

### III. Interaction of Three Bodies

The main interactions between the Board of Directors, Top Management, and General Assembly are summarized in the following diagram.



### IV. Conflict of Interest Policy

Any person considered as one of the Board Members or Senior Executives or Shareholders of the company take note of the regulations of the Saudi Central Bank (SAMA) and Capital Market Authority (CMA) regarding the Conflict of Interest, in particular, Articles 29 to 33 of SAMA's Corporate Governance

Regulation, Article 18 of CMA's Corporate Governance Regulations and Articles 41 and 43 of CMA's Listing Rules as follows:

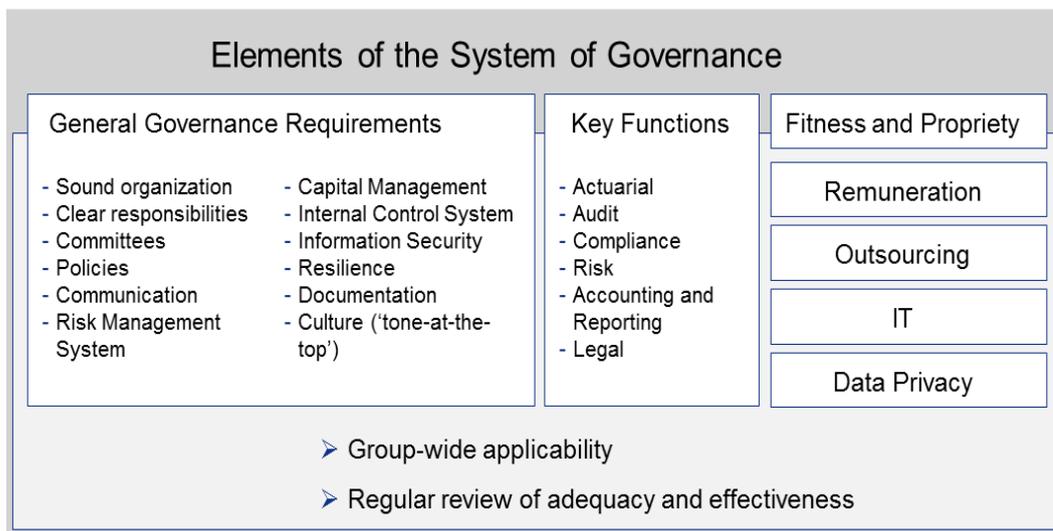
- 1) Any person considered as one of the Board Members or Senior Executives or Shareholders shall not, without a prior authorization from the General Assembly, to be renewed each year, have any interest (whether directly or indirectly) in the company's business and contracts, or business related to the use of company's assets and its facilities. The activities to be performed through general bidding shall constitute an exception where the person is the best bidder and subject to SAMA's Non-Objection.
- 2) The Board of Directors shall be notified from the Board Member or Senior Executive or Shareholder of any personal interest he/she may have in the business and contracts that are completed for the company's account. Such notification shall be entered in the minutes of the meeting.
- 3) The Board Member or Senior Executive or Shareholder who is an interested party shall not be entitled to vote on the resolution to be adopted in this regard neither in the General Assembly nor in the Board of Directors.
- 4) The Chairman of the Board of Directors shall notify the General Assembly, when convened, of the activities and contracts in respect of which the Board Member or Senior Executive or Shareholder may have a personal interest and shall attach to such notification a special report prepared by the company's auditor.
- 5) Any person considered as one of the Board Members or Senior Executives or Shareholders shall not, without a prior authorization of the General Assembly, to be renewed annually, participate in any activity which may likely compete with the activities of the company, or trade in any branch of the activities carried out by the company.
- 6) The company shall not grant cash loan whatsoever to any person considered as one of the Board Members, Shareholders, or render guarantee in respect of any loan entered into by any one of them with third parties, excluding banks and other fiduciary companies.
- 7) Members of the Board and Senior Management who own an interest in an Insurance Service Provider (e.g. brokers, agents, etc.) shall:
  - i. Disclose to the Board their interest in the insurance-related company, in writing, at the earliest opportunity
  - ii. Never encourage or solicit dealings with the company in which they hold an interest
  - iii. Refrain from voting in decisions related to dealings with the company in which they hold an interest.
- 8) The Company shall notify the General Assembly, when convened, of all businesses with any insurance related company in which a member of the Board or Senior Management has an interest, and shall attach to such notification a special report prepared by the company's external auditors.
- 9) Material developments in the sphere of company activities that may result in a conflict of interest must be disclosed to the public including any transaction between the company and a related party or any arrangement through which the company and a related party invest in any project or asset or provide financing therefore.
- 10) The Board of Directors' report of the company must also contain a description of any transaction between the company and any related party, and information relating to any businesses or contract to which the company is a party and in which a director of the company, the Senior Executives or any person related to any of them is or was interested. For insurance contracts, the Company shall provide the details of such contracts including the line of business, size and associated loss if any.

If there are no such businesses or contracts, the company must submit an appropriate statement.

## E. System of Governance Requirements:

### I. Elements of the System of Governance:

Allianz SF has in place an effective System of Governance (SoG) which provides for a sound and prudent management of its worldwide business. Key elements of that System of Governance comprise:



### II. Governance Responsibilities

Given the nature of governance as a cross-functional task, Allianz SF ensures that the responsibility for coordinating the System of Governance and legal requirements for sound organization are clearly assigned at the level of the Strategic Steering Committee (SSC). On functional level, Allianz SF assigns the Head of Legal and Governance as governance caretaker.

The Governance and Control Committee (GovCC) – defined under Section K.III below provides a platform for a structured and institutionalized interaction and collaboration on governance and control matters. Composition and Objectives of the said committee are defined below.

### III. Review of the System of Governance:

Adequacy and effectiveness of Allianz SF's system of governance are subject to a review.

- a. The review takes place regularly taking into account the risk profile of the Company, or on ad hoc basis, if extraordinary circumstances occur (such as regulatory changes). It is based on a review plan and may focus on selected review areas.

The responsibility of the regular review (including assessment) lies on the Strategic Steering Committee. The coordination and performance of the process as well as relevant documentation (e.g. results of the review, remediation measures) may be delegated.

The review of the entire System of Governance may not be substituted by specific control processes for a single element of the governance system.

- b. Conceptually, the review consists of an adequacy review and an effectiveness review. It shall evaluate whether the Governance System is adequately designed and operating effectively.

- i. The adequacy review (test of design) assesses whether the defined governance elements are complete and appropriately designed to cover and match to Allianz SF business model (i.e. consistency of System of Governance to support risk strategy and business strategy). The regular assessment follows a five (5) year adequacy assessment plan, covering all elements of the System of Governance over this period. The single System of Governance elements for the adequacy review will be determined by the GovCC annually. The GovCC, then, prepares the overall assessment of the System of Governance for further evaluation by the Strategic Steering Committee.
- ii. The effectiveness review (test of operating effectiveness) ensures that the governance elements and assigned controls are effectively operating as designed. Inter alia, the effectiveness review uses Entity Level Controls (ELCA) as a structured control process, amongst other sources.

Entity Level Controls are a set of standard control activities including testing intervals and allocation of control responsibilities relating to an entities' governance (as for key functions, these controls also cover quality assurance activities (functional effectiveness)). Each element of the system of governance is assigned to one or more Entity Level Controls.

The operating effectiveness of the standard Entity Level Controls is regularly assessed by the internal audit function through an Entity Level Controls Assessment (ELCA) within the regular review of the System of Governance. It includes a follow up to ensure that any associated control deficiencies are addressed in an appropriate and timely manner. The results of these ELCA tests shall be taken into account when assessing the System of Governance.

Besides Entity Level Controls, the review of the System of Governance may utilize results from other control processes, sources or findings, for example from (i) Reports from internal audit, in particular regarding its assessment on (elements of) the System of Governance, or (ii) Information of/findings from other functions, in particular key functions (e.g. own functional reviews, quarterly meetings of the key functions).

- c. The Governance & Control Committee is, accordingly, responsible for the SoG review for the Company's own System of Governance, the results of which shall be included in the annual "Statement of Accountability regarding Solvency II System of Governance Adequacy and Effectiveness" to Allianz Group.

## **F. The Board of Directors**

Since August 2019, the Company is managed by a Board of Directors comprising nine (9) members (previously 6) appointed by the Shareholders at an Ordinary General Assembly for a term not exceeding three years, provided that the majority of them are non-executive directors. The composition of the Board also reflects an appropriate representation of independent directors and in all cases, number of independent members of the Board may not be less than two, or one-third of the Board members, whichever is greater. In addition, a Board member shall not be a member of the Boards of Directors of more than five listed joint stock companies at the same time nor shall a Board member be a member of a board of another local insurance and/or reinsurance company, or any the board committees, or occupying a leadership position in such companies. The initial Board of Directors was appointed by the constitutive general assembly for a term of three (3) years from the date of the Ministerial Resolution declaring the establishment of the Company. The Board is required to meet at least four times per annum.

### **I. Charter of the Chairman of the Board**

In addition to any other regulatory or supervisory requirements and to the duties of Board members, the chairman of the Board shall be responsible for leading the Board and supervising its operations and the

effective performance of its duties. The competencies and duties of the chairman of the Board shall in particular include the following:

- (1) Organizing the Board's activities, including setting the agenda for Board meetings in consultation with the CEO and other Board members, presiding over Board meetings, and overseeing the process of providing the Board with information and reports;
- (2) Representing the Company before judicial bodies and supervising the relationships between the Board and internal and external parties;
- (3) Supporting the Board's efforts in promoting higher standards of corporate governance and ensuring compliance with applicable laws and regulations at all times
- (4) Ensuring that the Board members obtain complete, clear, accurate and non-misleading information in due course;
- (5) Ensuring that the Board effectively discusses all fundamental issues in due course;
- (6) Representing the Company before third parties in accordance with the Companies Law and Its Implementing Regulations and the Company's Bylaws;
- (7) Encouraging the Board members to effectively perform their duties in order to achieve the interests of the Company;
- (8) Ensuring that there are actual communication channels with shareholders and conveying their opinions to the Board;
- (9) Encouraging constructive relationships and effective participation between the Board and the Executive Management on the one hand, and the Executive, Non-Executive and Independent Directors on the other hand, and creating a culture that encourages constructive criticism;
- (10) Preparing agendas of the Board meetings, taking into consideration any matters raised by Board members or the external auditor and consult with the Board members and the Chief Executive Officer upon preparing the Board's agenda;
- (11) Convening periodic meetings with the Non-Executive Directors without the presence of any executive officers of the Company.; and
- (12) Notifying the Ordinary General Assembly while convening of the businesses and contracts in which any Board member has direct or indirect interest, the notification shall include the information provided by the member to the Board

### **Election of Chairman**

The Chairman of the Board (Chairman) shall be elected by the Board of Directors amongst the Non-Executive members.

### **Specific Accountabilities**

Among other things, the Chairman of the Board shall:

#### **(1) Board of Management**

The Chairman will develop and approve the Board's meetings' agenda and schedule and oversee the performance of the Board to ensure that the focus of the Board's attention is on strategically important issues.

#### **(2) Board Independence and Governance**

The Chairman will facilitate the effective and transparent interaction of Board members and management, and among other responsibilities, provide feedback and input to the Chairs of the Committees on governance and other related matters.

#### **(3) Interaction with MD/CEO and Management**

The Chairman will interact with the MD/CEO on governance, performance and other significant issues. He will provide feedback to the MD/CEO and act as a sounding board with respect to strategies, accountability, relationships and other issues. The Chairman shall not be involved in the day to day management of the company. Among other functions, the Chairman will frequently interact with the Secretary General on Board governance and other important issues.

#### (4) Representation of Shareholders

In conjunction with the management, the Chairman will respond to the shareholders' concerns regarding governance issues or other Board related issues. He will chair the General Assembly meetings and will be available during the question and answer session of the meeting. He will provide leadership to the Board in the execution of its responsibilities to the shareholders.

#### (5) Interaction with other Stakeholders

At the request of the Board and with the concurrence of MD/CEO, take on an ambassadorial role with certain external groups including attending public events on behalf of the Company; meet with institutional shareholders and any other group as required.

## II. Duties and Responsibilities of the Board of Directors

Without prejudice to the competencies of the General Assembly, the Board shall have the broadest powers in managing the Company and guiding its activities to achieve its objectives.

The Board of Directors is ultimately responsible for the policies and management of the Company. The Board of Directors approves strategic, accounting, organizational, and financing policies adopted by the Company as well as strategic plans and major transactions. Its responsibilities include the appointment and appropriate succession planning of executive officers and authorized signatories of the Company, in addition to supervision over the Company's management and performance. The Board of Directors shall also review and approve on annual or periodic basis the policies and procedures of the Company. The Board of Directors also ensures the integrity of the accounting and financial reporting as well as the appropriateness of its disclosure. It promotes high standards of Corporate Governance and ensures compliance with applicable laws and regulation. It ensures that the interest of the policyholders is always protected. The Board of Directors is also entrusted with organizing the Shareholders' meetings and carrying out Shareholders' resolutions.

The Board of Directors shall also review and approve on annual or periodic basis the policies and procedures of the Company.

The Board shall also assess the performance of the Board Committees on periodic basis.

The major duties and responsibilities of the Board of Directors are highlighted as follows:

### 1. Relation with Stakeholders

- a) Representing the Company and acting on its behalf before others whether it is a private or public party. Those may include but are not limited to the following parties within or outside the Kingdom of Saudi Arabia (KSA):
  - i Ministries and Governmental agencies.
  - ii Financial institutes.
  - iii All kind of courts and judicial parties.
  - iv Capital Market Authority (CMA)
  - v Customs offices.
  - vi Polices Departments.
  - vii Civil Affairs departments.

- b) Ensure that systems are in place for communication and relations with stakeholder including the mentioned above, monitor system effectiveness and significant sensitive and legally required communications.
- c) Develop and adopt mechanisms for indemnifying the Company stakeholders in case of contravening their rights under the law and their respective contracts. Noting that the members of the Board, who had committed a mistake that harmed the interests of the shareholders and which resulted in a profit to them, shall return to the company all the profits they have gained from this mistake.
- d) Preparing the and approving it before publishing it to the shareholders and CMA, addressing the following as a minimum:
  - a) A description of the principal activities of the Company. If two or more activities are described, a statement must be included giving for each activity the turnover and contribution to trading results attributable to it;
  - b) A description of the Company's significant plans and decisions (including any restructuring, business expansion or discontinuance of operations of the Company), the future prospects of the Company's business and any risks facing the Company;
  - c) A summary, in the form of a table or a chart, of the assets and liabilities of the Company and of the Company's business results for the last five financial years or from incorporation, whichever is shorter;
  - d) A geographical analysis of the Company's gross revenues;
  - e) An explanation for any material differences in the operating results of the previous year or any announced forecast made by the Company;
  - f) An explanation for any departure from the accounting and financial reporting standards;
  - g) A description of the Company's dividend policy;
  - h) A description of any interest in a class of voting shares held by persons (other than the Company's Directors, senior executives and their relatives) that have notified the Company of their holdings together with any change to such interests during the last financial year;
  - i) A description of any interest, contractually based securities, and subscription rights of the Company's Directors, senior executives and their relatives in the shares or debt instruments of the Company, together with any change to such interest or rights during the last financial year;
  - j) Information relating to any borrowings of the Company (whether repayable on demand or otherwise), and a statement of the aggregate indebtedness of the Company together with any amounts paid by the Company as a repayment of loans during the year. In case there are no loans outstanding for the Company, it must provide an appropriate statement;
  - k) The number of meetings of the Directors held during the last financial year and the attendance record of each meeting listing names of the attendees;
  - l) A description of any transaction between the Company and any related party;
  - m) Information relating to any businesses or contract to which the Company is a party and in which a board Director of the Company, the CEO, COO, CFO or any person related to any of them is or was interested, or if there are no such businesses or contracts, the Company must submit an appropriate statement;
  - n) A description of any arrangement or agreement under which a Director or a senior executive of the Company has waived any salary or compensation;

- o) A description of any arrangement or agreement under which a shareholder of the Company has waived any rights to dividends;
- p) A statement of the value of any outstanding statutory payment on account of any zakat, taxes, fees or any other charges with a brief description and the reasons therefore;
- q) A statement as to the value of any investments made or any reserves set up for the benefit of the employees of the Company;
- r) Declaration that:
  - i) Proper books of account have been maintained;
  - ii) The system of internal control is sound in design and has been effectively implemented; and
  - iii) There are no significant doubts concerning the Company's ability to continue as a going concern; if any of the statements above cannot be made, the report must contain a statement clarifying the reasons thereof.
- s) If the external auditor's report containing reservations or the relevant annual financial statements is qualified, the Directors report must include such qualifications, its reasons and any related information.
- t) If the Directors recommend that the external auditors should be changed before the elapse of the term it is appointed for, the report must contain a statement to that effect and the reasons for such recommendation;
- u) Names of any joint stock company or companies in which the company Board of Directors member acts as a member of its Board of Directors.
- v) Formation of the Board of Directors and classification of its members as follows: executive board member, non-executive board member, or independent board member.
- w) A brief description of the jurisdictions and duties of the Board's main committees such as the Audit, Risk, & Compliance Committee, the Governance, Nomination & Remuneration Committee, Executive & Investment Committee; indicating their names, names of their chairmen, names of their members, and the aggregate of their respective meetings.
- x) Details of compensation and remuneration paid to each of the following:
  - i. The Chairman and members of the Board of Directors.
  - ii. The Top Five executives who have received the highest compensation and remuneration from the company. The MD, CEO, COO, and CFO shall be included if they are not within the top five.
- y) Any punishment or penalty or preventive restriction imposed on the company by the Authority or any other supervisory or regulatory or judiciary body; and,
- z) Results of the annual audit of the effectiveness of the internal control procedures of the company.

## **2. Overseeing the Company's Operations**

- a) Determine and control in broad terms the purposes, goals, mission, visions, activities and general characteristics of the Company.
- b) Strategic Planning & Budgets:
  - i. Set and approve the Company's strategic business plan proposed by the management and adopt such a plan with such changes, upon annual reviews and assessments, as the Board of Directors deems appropriate;

- ii. Review and approve the Company operational plans, financial plans and budgets proposed by the management and adopt the same with such changes as the Board of Directors deems appropriate;
  - iii. In connection with such reviews, the Board of Directors shall seek to provide a balance of long-term versus short-term orientation of the Company strategic and operational plans; and
  - iv. Review corporate performance against strategic plan, operations plans, financial, budget plans and peers performance.
- c) Hiring and dismissal of the CEO, planning for his succession.
- d) Ensure that senior officers are achieving acceptable current financial results relative to corporate objectives, budgets, and the economic environment, and are developing the resources necessary for future success. These resources include:
- i. Management competence, organization, and depth;
  - ii. Fixed assets;
  - iii. Marketing capability – Customer loyalty, distribution organization, and market knowledge;
  - iv. Work force and employee relations;
  - v. Financial resources, including relations with the financial community; and
  - vi. Reputation and relations with various regulators.
- e) Establish an overall compensation policy, based on a recommendation from the Governance, Nomination & Remuneration Committee, for the Company and monitor its implementation with special attention devoted to the senior officers. Review the policy from time to time to ensure that it continues to be appropriate and in line with better practices.
- f) Oversee corporate financial operations, including:
- i. Capital structure management, maintaining reasonable financial flexibility and safety while achieving an appropriate return on equity;
  - ii. Reviewing the Company's interim and annual financial statements to ensure sufficiency and reliability of applied financial reporting controls, and approving them before publishing them;
  - iii. Allocation of Company assets;
  - iv. Maintaining access to suitable sources of new capital;
  - v. Indemnity, social security and other major employee benefit programs;
  - vi. Dividend pay-out policy and action; and
  - vii. Propose selection of external auditors for approval by the General Assembly.
- g) Maintenance of Systems Integrity:
- i. Reviewing the effectiveness of the Company's internal control procedures on an annual by obtaining a report from and confirming with the Audit, Risk, & Compliance Committee that it has reviewed and discussed the adequacy of the Company internal controls;
  - ii. Ensure that the Board of Directors has free and full access to management regarding all matters of compliance and performance; and,
  - iii. Developing a written policy to remedy actual and potential conflicts of interest scenarios for each of the Board members, the Executive Management, and the shareholders. This includes misuse of the Company's assets and facilities and the mismanagement resulting from transactions with Related Parties.
- h) Oversee the conduct and performance of the Company and its divisions to ensure they are being properly and appropriately managed. To discharge this duty the Board of Directors will give specific and regular attention to:
- i. Ensuring setting key performance indicators/objectives for the performance of the Company functions/departments, and approve the same;
  - ii. Monitoring performance against the strategic and business plans, and key performance indicators;
  - iii. Monitoring performance against peer and competitor companies; and,
  - iv. Enquiring into and following up areas of poor performance and their cause.

- i) Review and approve material transactions outside of the corporate budget, including but not limited to material licenses, long term contracts or obligations.
- j) Sell, accept payment on behalf, mortgage, all the Company assets and properties with the following restrictions:
  - i. Documentation of reasons and purpose of sales;
  - ii. The sale must be at least at market value;
  - iii. Proper guarantee of all sales; and
  - iv. Such sales do not affect the Company operations.
- k) Enter in and obtain loan agreements from financial institutions.
- l) Write off bad debts based on the following and in line with the approved authority matrix:
  - i. Bad debt has aged for over a year at minimum;
  - ii. Write offs can only be performed once per year per debtor and not to exceed 1% of the Company's capital;
  - iii. The total bad debt write off not to exceed SAR 4 million per year; and,
  - iv. Bad debts write off shall not be delegated to anyone else by the Board.

### **3. Risk Management**

The Board establishes, oversees and monitors internal controls and risk management framework including the Market Risk (Interest Rate Risk, Equity Risk, Property Risk, Currency Risk, Spread Risk and Liquidity Risk), Counterparty default Risk (Reinsurance, Concentration, Other counterparties and Credit Risk), Non Life Underwriting Risk (Pricing [General], Pricing [Health], Reserving [General], Reserving [Health], Non-Life catastrophe and Lapse), Life Underwriting Risk (Mortality, Longevity, Morbidity & Disability, Lapse, Expense and Catastrophe), Strategic Risk (Business, Market/ Country and Reputational), Operational Risk (Internal fraud, external fraud, HR, Physical Damage, Cyber-attack, System Failure, Data Quality and Process management), Actuarial Outputs Risk (Reserving, Underwriting non-life, Underwriting Life, Reinsurance and Solvency), Oversight Risk (Senior Management, Risk Management, Compliance, Audit, Operational management), Conduct of Business Risk (Product development, Product promotion disclosure & sales, Claims, Complaints and Privacy protection), and Regulatory & AML Risk (Regulatory, AML)

The Board is responsible to ensure the following with the assistance of the management, and Audit, Risk & Compliance:

- a) Approving the risk appetite statement and levels.
- b) Identify the principal risks of the Company business and ensure implementation and monitoring of systems to effectively mitigate/manage these risks.
- c) Implement and ensure that systems are in place to monitor and maintain the integrity of the Company internal controls and information systems.
- d) Risk Identification and Management:
  - i. Ensuring the implementation of appropriate control for risk assessment and management by generally forecasting the risks that the Company may encounter and creating an environment which is aware of the culture of risk management at the Company level and disclosing such risks transparently to the Stakeholders and parties related to the Company.
  - ii. Instruct management to regularly advise on Company's business risks; and
  - iii. Review and discuss with management such risks and the systems designed to monitor and manage such risks.

- iv. Oversee the Company's capacity to identify and respond to changes in its economic and operating environments.

#### **4. Investment**

- a) The Board of Directors shall be responsible for the approval of the investment policy and activities, taking into account the analysis of the asset/liability relationship, the Company's overall risk tolerance, its long-term risk-return requirements, its liquidity requirements and its solvency position.
- b) The Board of Directors is also responsible for approving policies on related issues of a more operational nature, including:
  - i. The criteria for selection of the external investment manager(s).
  - ii. The selection and use of partners and brokers.
  - iii. The nature of custodial arrangements.
  - iv. The methodology and frequency of the performance and investment risk measurement
- c) The Board of Directors authorizes the investment committee and the senior management to formulate the investment policy, review it and implement the overall investment activities.
- d) The Board of Directors must also ensure that adequate reporting and internal control systems of the Company are in place, and designed to monitor that assets are being managed in accordance with the investment policy, and legal and regulatory requirements. This should be done by ensuring that:
  - i. The board receive quarterly information, including feedback from the Company's risk management function, on asset exposures, and the associated risks.
  - ii. The systems provide accurate and timely information on asset risk exposure and are capable of generating ad-hoc requests.
  - iii. Remuneration policies are structured to avoid potential incentives for unauthorized risk taking.
- e) The Board of Directors must ensure that senior management is in a position to monitor the performance of the external investment manager(s) against Board approved policies and procedures. The Board of Directors should review on an annual base the adequacy of its overall investment policy in the light of the Company's activities, and its overall risk tolerance, long-term risk return requirements, and solvency position.

#### **5. Compliance**

The Board is responsible to ensure the following with the assistance of the management, and Audit, Risk & Compliance:

- a) Ensure existence of appropriate controls and procedures in place for compliance with applicable laws and regulations (SAMA, CMA, Ministry of Commerce, municipalities, etc.).
- b) Ensure that the Company has in place appropriate environmental, health and safety policies, having regard to legal, industry and community standards, and ensure implementation of management systems to monitor the effectiveness of those policies.
- c) Provide leadership and policy direction to the management with a view of establishing and maintaining a high standard of legal and ethical conduct for the Company by:
  - i. Taking all necessary steps to ensure that the Company complies with applicable laws and regulations, and with its internal regulations, including its Articles of Association, and that it operates to high ethical and moral standards; being alert and sensitive to situations that could be considered illegal, unethical or improper, and taking corrective steps;
  - ii. Establishing the means of monitoring performance in this area with assistance of legal counsel; and

- iii. Complying with legal requirements, applicable to the Board of Directors, including, without limitation, the duty to act honestly and in good faith with a view to the best interests of the Company and all its shareholders, and the duty to exercise the care, diligence and skill that reasonably prudent people exercise in comparable circumstances.

## **6. Other Board Responsibilities**

- a) Forming specialized committees of the Board pursuant to resolutions that shall specify the term, powers and responsibilities of such committees as well as the manner used by the Board to monitor such committees. Such resolutions shall also specify the names of the members and their duties, rights and obligations and shall evaluate the performance and activities of these committees and their members.
- b) Manage Board operations, including, without limitation:
  - i. Ensure adopting a transparent mechanism to orient new Board members on company and Board matters, including demonstrating Company strategy, accomplishments, threats, financial position, and Board working mechanism, in addition to developing briefing material on the same.
  - ii. Influence the structuring of agendas and how meeting time is spent.
  - iii. Conflict of interest policy.

## **7. Duties of Individual Members / Directors**

- a) Tasks and Duties of the Board Members: Without prejudice to duties and responsibilities of the Board as a whole each member of the Board shall, being a Board member, perform the following tasks and duties:
  - i. Providing proposals to develop the strategy of the Company;
  - ii. Monitoring the performance of the Executive Management and the extent to which it has achieved the objectives and purposes of the Company;
  - iii. Reviewing reports related to the performance of the Company;
  - iv. Ensuring the integrity and impartiality of the financial statements and information of the Company;
  - v. Ensuring that the financial control and risk management systems are sound;
  - vi. Determining the appropriate level of remunerations of the members of the Executive Management;
  - vii. Expressing opinions as to the appointment and dismissal of members of the Executive Management;
  - viii. Participating in developing the succession and replacement plans of executive positions within the Company;
  - ix. Complying fully with the provisions of the Companies Law, Capital Market Law, their implementing regulations, the relevant regulations and the bylaws when performing his/her duties as a member of the Board and abstaining from taking or participating in any action that constitute mismanagement of the Company's affairs;
  - x. Attending the Board and the General Assembly meetings, and not being absent except for legitimate excuse of which the chairman of the Board shall be notified by prior notice, or for emergency reasons;
  - xi. Allocating sufficient time to fulfil his/her responsibilities and preparing for the Board and its committees meetings and effectively participating therein, including raising relevant questions and carrying discussions with the Senior Executives;
  - xii. Studying and analyzing all information related to the matters looked into by the Board before expressing an opinion on the same;
  - xiii. Enabling other Board members to express their opinions freely, and encouraging the Board to deliberate on the subjects and obtain the views of the competent members of the Company's Executive Management and others, when necessary;

- xiv. Notifying the Board fully and immediately of any interest, either direct or indirect, in the businesses and contracts that are executed for the Company's account, the notification shall include the nature and extent of such interest, the names of concerned persons, and the expected benefit to be obtained directly or indirectly from interest whether financial or non-financial. the concerned member shall abstain from voting on any decisions issued in connection therewith in compliance with the provisions of the Companies Law, the Capital Market Law and their implementing regulations;
- xv. Notifying the Board fully and immediately of his/her participation, directly or indirectly, in any businesses that may compete with the Company or lead to competing with the Company, directly or indirectly, in respect of any of its activities, in compliance with the provisions of the Companies Law, the Capital Market Law and their implementing regulations;
- xvi. Refraining from disclosing or announcing any secrets he/she came across through his/her membership in the Board to any shareholder of the Company, unless such disclosure is made during the meetings of the General Assembly, or to a third party, in pursuance with the provisions of the Companies Law, the Capital Market Law and their implementing regulations;
- xvii. Working on the basis of complete information, in good faith and with the necessary care and diligence for the interest of the Company and all shareholders;
- xviii. Recognizing his/her duties, roles and responsibilities arising from the membership;
- xix. Developing his/her knowledge in the field of the Company's business and activities and in the related financial, commercial and industrial fields; and
- xx. Resigning from the membership of the Board if he/she is unable to fully fulfil his/her duties in the Board.

b) Tasks and Duties of the Independent Director: Without prejudice to duties and responsibilities of the Board as a whole and other executive / non-executive members, an Independent Director of the Board shall effectively participate in the following duties:

- i. Expressing his/her independent opinion in respect of strategic issues and the Company's policies and performance and appointing members of the Executive Management.
- ii. Ensuring that the interest of the Company and its shareholders are taken into account and given priority in case of any conflicts of interest.
- iii. Overseeing the development of the Company's Corporate Governance rules, and monitoring the implementation of the rules by the Executive Management.

## **8. Matters Reserved for the Board of Directors**

There are matters that must be considered by the Board of Directors as a whole and may not be delegated, even to a Committee of the Board of Directors. The Board of Directors reserves the right to review and amend these matters from time to time as considered necessary.

These matters include the following:

- a) Temporary nomination and Remuneration of Directors (to fill the vacant position) for approval by the General Assembly
- b) Appointment of the Chief Executive Officer (CEO) / Managing Director (MD).
- c) Appointment/resignation and termination and remuneration of the CEO supported with the recommendations of the Governance, Nomination & Remuneration Committee.
- d) Membership and terms of reference of Board committees (apart from the Audit, Risk, & Compliance, and Governance, Nomination & Remuneration committees).
- e) Providing recommendations to the Extraordinary General Assembly as to what it deems appropriate regarding the following:
  - i. Increasing or decreasing the share capital of the Company; and

- ii. Dissolving the Company before the end of its term as specified in its bylaws or deciding the continuity of the Company.
- f) Providing recommendation to the Ordinary General Assembly as to what it deems appropriate regarding:
- i. Using the consensual reserve of the Company, if such has been formed by the Extraordinary General Assembly and has not been allocated to a specific purpose;
  - ii. Forming additional financial allocations or reserves for the Company; and
  - iii. The method of distributing the net profits of the Company.
- g) Approving the Company's interim and annual financial statements and approving them before publishing them.
- h) Annual review and update (if necessary) of the Board of Director's Charter.
- i) Matters referred to the Board of Directors by Board Committees.
- j) Approve of the write offs as per the approved authority matrix and the Company's bylaws.
- k) Approve loans and financing facilities as per the approved authority matrix and the Company's bylaws.
- l) Conduct the Board annual performance self-assessment relative to the Board purpose, duties, and responsibilities outlined herein as well as those of its individual members.
- m) Decide upon corporate governance matters relating to the Board of Directors and senior management, and matters of principle regarding corporate governance structure, such as developing/updating the Company's organizational structure and the underlying functional responsibilities as the need arise and which is recommended by the Governance, Nomination, & Remuneration Committee.
- n) Review prior Board minutes of meeting and follow up on decisions taken and documented in the action sheet of prior Board meetings, in order to ensure that matters raised have been resolved.

The Board of Directors reserves the right to review and amend this list from time to time as considered necessary.

## 9. Meetings

- a) The Chairman of the Board may convene a meeting at any time deemed necessary subject to a minimum of 4 meetings being held annually so that there is at least one meeting every 3 months.
- b) A meeting of the Board may also be convened at the request of any 2 members.
- c) An Independent Director of the Board shall make every effort to attend all meetings in which important and material decisions affecting the position of the Company are made
- d) The invitation to the Board meeting shall be sent to each of the Board members no less than five days prior to the date of the meeting accompanied by its agenda and the necessary documents and information, unless circumstance require convening an emergency meeting, the invitation accompanied with the agenda and necessary documents and information may be sent within a period of less than five days before the date of the meeting, and the council determines the place, date and mechanism of the meeting. Electronic communication means can be used, for example, but not limited to telephone or video calling.
- e) The quorum for any Board meeting is at least 6 Board members (present or represented) with at least 4 members present themselves.
- f) Decision of the Board shall be issued unanimously but in case of disagreement, it may be taken by the majority of 2/3 of the members present or represented.
- g) The Board of Directors shall hold one or more closed meeting(s) between non-executive Board Members annually and without the presence of management members. Staff of the control functions can be invited to attend these meetings, upon the request of the Non-executive members holding the meeting.

## **10. Secretary**

The competencies and remunerations of the secretary of the Board shall be specified by a Board resolution, unless the Company's bylaws include provisions in connection therewith, provided always that the powers of the secretary of the Board shall, in addition to any other regulatory or supervisory requirements, include:

- a) Arranging meetings of the Board and ensuring the availability of the appropriate means of communication for the exchange and recording of information between the Board and its committees and between members of senior management and non-executive board members.
- b) documenting the Board meetings and preparing minutes therefor (ensuring the minutes are accurate and clearly reflect all the items and topics discussed during the meetings of the Board), which shall include recording the discussions and deliberations carried during such meetings, as well as the place, date, times on which such meetings commenced and concluded; and recording the decisions of the Board and voting results and retaining them in a special and organized register, and including the names of the attendees and any reservations they expressed (if any). Such minutes shall be signed by all of the attending members;
- c) retaining the reports submitted to the Board and the reports prepared by it;
- d) providing the Board members with the agenda of the Board meeting and related worksheets, documents and information and any additional information, related to the topics included in the agenda items, requested by any Board member;
- e) ensuring that the Board members comply with the procedures approved by the Board;
- f) notifying the Board members of the dates of the Board's meetings within sufficient time prior to the date specified for the meeting;
- g) presenting the draft minutes to the Board members to provide their opinions on them before signing the same;
- h) ensuring that the Board members receive, fully and promptly, a copy the minutes of the Board's meetings as well as the information and documents related to the Company;
- i) coordinating among the Board members;
- j) regulating the disclosure register of the Board and Executive Management; and
- k) Providing assistance and advice to the Board members.

## **11. General Agenda Rules**

Agendas, along with relevant materials, shall be sent to the members' minimum 10 working days before the meeting. Supporting documents not sent with the Agenda has to be sent maximum 5 working days prior the meeting.

The Board shall approve the agenda once the Board meeting is convened. Should any member of the Board raise any objection in respect of such agenda, such objection shall be recorded in the minutes of the meeting.

Each member of the Board is entitled to propose additional items to the agenda

## **12. General Rules of the Minutes**

The minutes of Board meeting shall include the discussions and deliberations carried during such meetings, as well as the place, date, times on which such meetings commenced and concluded; and recording the decisions of the Board and voting results and retaining them in a special and organized register, and including the names of the attendees and any reservations they expressed (if any).

The draft minutes of the meeting shall be sent to the members maximum 5 days after the meeting so that the members can provide their opinions on them. After incorporating the comments of the members (which shall be provided no later than 5 days of receiving the minutes) the minutes will be circulated to all members. The minutes shall be signed by the members and the Secretary of the Board in the following meeting and entered into an Official Register.

The minutes of the committee shall indicate the meeting's attendance, topics discussed, major deliberations, voting process, objections and abstentions from voting (with reasons if any), decisions taken, and reservations. Each point in the minutes shall be structured into Presentation, Deliberation and Decision. Decision shall be further categorized as Resolution, Ratification or Noted. In addition, the Decisions has to be described if voted Unanimously, Majority or split (through Chairman's casting vote). All records and documents reviewed during the meeting and/or referred to in the minutes shall be attached to the minutes.

The person or entity responsible for implementing the resolutions taken shall be determined. The Board shall, at the beginning of each year, set a specific timetable for receiving reports.

## **G. The Board of Directors' Committees**

### **I. Executive Committee**

The Chairman is selected by the Board of Directors (after obtaining SAMA's Non-Objection); in case of absence a temporary Chairman will be selected.

#### **1. Members**

- (a) The executive committee is appointed by the Board of Directors (after obtaining SAMA's "no objection") for a 3 years term, however, the membership term of the Board member who is also a member in the Executive Committee is related to his membership term in the Board of Directors.
- (b) It is constituted of a minimum of 3 and a maximum of 5 members (executive or non-executive members).
- (c) Any vacancy will be filled by the Board of Directors.
- (d) Members of the committee shall always be informed of the course of business and act in good faith; with due diligence; in compliance with the applicable laws and regulations; and in the best interest of the Company's shareholders, policyholders, and other Stakeholders.
- (e) Members of the committee shall perform their duties free from any external influence, whether from within or outside the Company. Members of the committee shall not allow their own personal interest, or the interest of the parties they represent, to come before, or in conflict with, that of the Company, its shareholders, and other Stakeholders.
- (f) Members of the committee are prohibited from disclosing to shareholders or the public any confidential information obtained as they perform their role, other than in the general assembly, and must not use such information for their own benefit and personal gain.

#### **2. Composition and Mandate**

The Board forms an Executive Committee which is composed of executive and non-executive members. The Executive Committee can be made up of no less than 3 and no more than 5 members. The Executive Committee shall report to the Board.

The mandate of the members of the Executive Committee is to provide recommendations to the Board on various issues including strategy and business plans. Its primary objective is to oversee the day-to-day performance of the Company and to provide support and guidance to the CEO. The mandate ending on 7th of August 2025 of the existing Executive Committee is extended from 8th of August 2022 to 7th of August 2025.

#### **3. Meetings**

- a) The Chairman of the Executive Committee may convene a meeting at any time deemed necessary subject to a minimum of six meetings being held annually.
- b) A meeting of the Executive Committee may also be convened at the request of any two members.

- c) The quorum for any meeting of the Executive Committee is at least two (in person).
- d) Decisions of the Executive Committee must be taken unanimously but, in case of disagreement may be taken by the majority of three quarters of the members present in person or represented.

#### **4. Secretary or Administrator**

Secretary to be decided by the Chairman subject to SAMA's approval.

Responsibilities to include:

- Arranging meetings of the Committee;
- Ensuring the availability of appropriate means of communication for the exchange and recording of information between the Committee, and between members of senior management;
- Maintaining minutes of the meetings; and
- Follow-ups on the Decisions, Resolutions and Actions from previous meeting.

#### **5. Objective**

The Board Executive Committee is responsible for providing recommendations to the Board on various issues including strategy and business plans. Its primary objective is to oversee the day-to-day performance of the Company and to provide support and guidance to the CEO.

#### **6. Main Responsibilities**

- a) Representing the Board of Directors in day-to-day management.
- b) Supervising the organization of the Board's meeting.
- c) Executing the Board's decisions in accordance with the CEO and the Company's management.
- d) Proposing / setting up the general company policy, objectives and strategy.
- e) Studying the budget and following up the performances and achievements versus the plan.
- f) Undertaking and supervising the progress of the operation and project's development.
- g) Review on annual or periodic basis the policies and procedures of the Company.

#### **7. General Agenda Rules**

Agendas, along with relevant materials, shall be sent to the members' minimum 10 working days before the meeting.

Agenda Items:

- a) Performance achievement versus plan
- b) Bancassurance Performance review
- c) Change in Company Strategy
- d) Company Manuals and Policies
- e) Budget and Plan review
- f) New Projects Development
- g) Authority Limits and Signatures

- h) Other agenda items as per the members suggestions

## **8. General Rules of the Minutes**

The draft minutes of the meeting shall be sent to the members maximum 15 days after the meeting. After incorporating the comments of the members (after two weeks of receiving the minutes) the minutes will be circulated to all committee members. The minutes shall be signed by the members and the Secretary of the Committee in the following meeting and entered into an Official Register.

The minutes of the committee shall indicate the meeting's attendance, topics discussed, major deliberations, voting process, objections and abstentions from voting (with reasons if any), decisions taken, and reservations. Each point in the minutes shall be structured into Presentation, Deliberation and Decision. Decision shall be further categorized as Resolution, Ratification or Noted. In addition, the Decisions has to be described if voted Unanimously, Majority or split (through Chairman's casting vote) All records and documents reviewed during the meeting and/or referred to in the minutes shall be attached to the minutes.

The person or entity responsible for implementing the resolutions taken shall be determined.

The committee shall, at the beginning of each year, set a specific timetable for receiving reports.

## **II. Audit Committee**

The Audit Committee is formed by a decision of the Ordinary General Assembly based on the recommendation of the Board, after obtaining the SAMA's No Objection in writing. The Audit Committee consists of at least three members and not more than five members who should be non-executive and in majority shall not be Board of Directors' members and one of their number must be independent.

### **1. Chairman**

The Chairman is selected by the committee members; in case of absence a temporary Chairman will be selected provided always that the Chairman of the Audit Committee may not be the Chairman of the Board.

### **2. Members**

- a) The Audit Committee is appointed by the Board of Directors (after obtaining SAMA's "no objection") for a 3 years term, however, the membership term of the Board member who is also a member in the Audit Committee is related to his membership term in the Board of Directors.
- b) The Audit Committee member nominated for membership shall be independent. The Audit Committee members shall not include board members, executives, employees, consultants, representatives of any parties connected to the Company, including to:
  - (i) Major Shareholders and founders;
  - (ii) External Auditors;
  - (iii) Suppliers;
  - (iv) The Company's customers; and
  - (v) The legal persons who have first-degree relationships with the Company's Board of Directors or executives or have any financial or business relationship therewith.
- c) It is constituted of a minimum of 3 members, including a specialist in financial and accounting matters. At least two Audit Committee members, must have recent and relevant accounting or financial management expertise or experience.
- d) Executive Board members are not eligible for the Audit Committee membership.

- e) The Chairman of the Audit Committee shall not be related to the other members of the Board or have any financial or business relationship with any members of the Board.
- f) The Chairman of the Audit Committee of the Board shall not have a relationship with Senior Management of the Company that could affect his independence.
- g) The committee members should not be appointed among the company's executive managers, employees or consultants and should not be a member of the Board or Audit Committee of any other company operating in the insurance sector and is not entitled to be a founder of any similar companies.
- h) The Chairman is selected by the Board of Directors after obtaining SAMA's "no objection". In case of his absence, a temporary Chairman will be appointed by the committee's Chairman. The Chairman of the Audit Committee must have recent and relevant accounting or financial management expertise or experience.
- i) The Chairman of the Board should not be a member or president of the Audit Committee.
- j) No Audit Committee member shall simultaneously serve on the audit committees of more than four public companies.
- k) Members of the committee have the right to resign and the resignation request should be submitted to the Board one month before it becomes effective, and the Company must notify SAMA and CMA in writing of the resignation of the Committee member and the reasons for his/ her resignation and provide SAMA with a copy of the resignation request within five (5) working days from the date of such resignation.
- l) The member is considered resigned if he does not attend the committee meetings for more than three consecutive times without presenting an excuse accepted by the Board.
- m) If there is a vacant seat in the Audit Committee during the membership term, the Board, after obtaining the SAMA's non-objection in writing, shall appoint another member within a month of the vacancy date to fill the vacant position and the new member will complete his predecessor's term.
- n) The Audit Committee member should be familiar with financial issues, accounting, financial reporting and insurance companies' audit and he should review the related Laws, Regulations and Instructions.
- o) The Board is entitled to renew the term of the committee or one of its members – after obtaining SAMA's non-objection in writing – for another three-year term and one time only.
- p) The Board, after obtaining SAMA's No Objection in writing, has the right to recommend the dismissal of any of the Committee members in the event that he misses the membership conditions or commits a violation of these regulations or the provisions of the Cooperative Insurance Companies Supervision Law or its Implementing Regulations or the provisions of the regulations and other relevant instructions.
- q) The membership of an Audit Committee member shall terminate automatically upon the occurrence of any change that would breach the membership's terms defined in the Audit Committee Charter, or any regulations, Instructions or Decisions issued by SAMA. The Audit Committee member shall immediately inform the Company in writing upon the occurrence of such a change and he/she shall not attend any meeting of the Audit Committee held after the date of the change.
- r) All members of the Audit Committee shall have the same proportionate control and influence over the decisions of the committee.
- s) Members of the committee shall always be informed of the course of business and act in good faith; with due diligence; in compliance with the applicable laws and regulations; and in the best interest of the Company's shareholders, and other stakeholders.

### **3. Mandate**

The mandate of the members of the Audit Committee is similar to the mandate of the Board of Directors. The mandate ending on 7th of August 2025 of the existing Audit Committee is extended from 8th of August 2022 to 7th of August 2025.

### **4. Meetings**

- a) The Audit Committee meeting shall not be held without the presence of two-thirds of its members.
- b) The Audit Committee shall meet at least six times a year, including an annual meeting with the Board of Directors. The Audit Committee is entitled, if the need arises, to hold other meetings in response to any of the following cases including but not limited to:
  - i. Upon the request of the Chairman of the Board
  - ii. Cases in which the External Auditor, Internal Auditor, Compliance Officer or Actuary requests a Committee meeting due to reason that requires so.
  - iii. Meetings on other issues such as:
    - Financial and audit issues.
    - Compliance issues.
    - Conflicts of interest.
    - Professional and ethical codes of conduct.
- c) Decisions are issued by the majority of the members. In case of tie, Chairman's casting vote shall be applied.
- d) No voting by proxy shall be permitted.
- e) The committee is entitled to invite – if needed - whomever it deems relevant from within or outside the company to attend its meetings.

## **5. General Rules**

- a) Audit Committee is entitled to contact directly all employees, committees, and legal consultants, internal and external auditors in the company's head office and/or branches, in addition to the other stakeholders. It also has the right – without the Board's approval – to check all registers and documents (private and confidential) and regulations to perform its activities. The Audit Committee also has the right to seek the assistance of any external consultant to do specific tasks in order to assist it in performing its work.
- b) Members of the committee are prohibited from disclosing to shareholders or the public any confidential information obtained as they perform their role, other than in the General Assembly, and must not use such information for their own benefit and personal gain, even after he/she vacates the Audit Committee Membership.
- c) The committee's member is not entitled to have any direct or indirect interest in the company's works and contracts.
- d) The committee's member is not entitled to take part in any work that might compete with the company or trade in the activities performed by the company. The company has the right to claim for compensation or deem the operations that the member has initiated for his personal interest as part of the company's business.
- e) The company should not issue or renew any insurance policy to any of the committee's members or related stakeholders unless after the full payment of the premium. If any of the committee's members submits a request for the payment of a claim on an insurance policy issued to him by the company, the claim should be addressed according to the procedures of article (44) of the Implementing Regulation of the Law on Supervision of Cooperative Insurance Companies and the Compliance Officer should be also notified about any payments due to any member.
- f) The Audit Committee members are accountable to SAMA, the Company's shareholders and the Board for implementing the articles of SAMA'S "Audit Committee Regulation in Insurance and/or Reinsurance Companies" and executing the committee's action plan issued by a Board's decision.
- g) Members of the committee shall perform their duties free from any external influence, whether from within or outside the Company. Members of the committee shall not allow their own personal interest, or the interest of the parties they represent, to come before, or in conflict with, that of the Company, its shareholders, and other stakeholders.

- h) The Audit Committee members are accountable for:
  - i. reviewing and approving the Compliance annual plan and Internal Audit annual plan
  - ii. ensure the completion and execution of Compliance and Internal Audit plan
  - iii. discuss the periodic reports submitted by compliance and internal audit to Audit committee
  - iv. above points shall be documented in the Audit committee minutes of meetings

## **6. Secretary or Administrator**

The secretary of the Audit Committee shall be decided by the Audit Committee and subject to SAMA's approval and any secretary appointed by the Audit Committee should not be a secretary of any other board committee. The Responsibilities of the secretary shall include the following:

- i. Handling the administrative tasks of the Audit Committee;
- ii. Arranging meetings of the Committee;
- iii. Ensuring the availability of appropriate means of communication for the exchange and recording of information between the Committee, and between members of senior management;
- iv. Preparing meeting minutes and ensuring that the Audit Committee's Chairman signs these minutes and maintaining minutes of the meetings in a special register; and
- v. Follow-ups on the Decisions, Resolutions and Actions from previous meeting.

## **7. Objective**

To discharge the Board's duties related to the supervision of the Company's financial reporting and evaluating the adequacy of internal and external audit processes, and evaluate and monitor the Company's control environment and risk management processes.

## **8. Committee Tasks and Responsibilities**

The primary responsibility of the Audit Committee is to oversee the Company's financial controls (including appropriate disclosure and internal controls), external and internal audit activities, compliance, and reporting processes, and report the results of its activities to the Board. Further, to review the accounting policies in force and advise the Board of any recommendations regarding them.

The Company's Management is responsible for preparing the financial statements, and the independent auditors are responsible for auditing those financial statements that are in line with applicable accounting standards e.g. SOCPA and International Financial Reporting Standards (as applicable). The Audit Committee shall take the appropriate actions to set the overall corporate "tone" for quality financial reporting, sound business risk practices, compliance culture, and ethical behavior.

In addition, the Audit Committee of "Allianz Saudi Fransi Cooperative Insurance Company" shall take guidance from the Audit Committee Regulation in Insurance and/or Reinsurance Companies issued by SAMA's Insurance Supervision Department.

According to the Capital Market Authority "If a conflict arises between the recommendations of the audit committee and the Board resolutions, or if the Board refuses to put the committee's recommendations into action as to appointing or dismissal the company's external auditor or determining its remuneration, assessing its performance or appointing the internal auditor, the Board's report shall include the committee's recommendations and justifications, and the reasons for not following such recommendations"

The tasks and responsibilities of the Audit Committee include the following:

## **9. External Audit**

- a) Submit recommendations to the Board to approve the appointment or reappointment, dismissal and remuneration of external auditors. This recommendation requires having obtained SAMA's non-objection in writing.
- b) Ensure the independence of the external auditors from the Company, the Board members and the senior management of the company.
- c) Reviewing the audit plan of the external auditors.
- d) Supervising the activities of the external auditors and approve any activity beyond the scope of the audit work assigned to them during the performance of their duties.
- e) Reviewing the external auditors reports and submits the related recommendations to the Board.
- f) Pursues the implementation of the corrective measures in respect of the comments included in the reports.
- g) Reviewing the external auditors' assessment of the internal control of Saudi Central Bank, Insurance Supervision Department processes.
- h) Assessing the competence level, efficiency and objectivity of the external auditors.
- i) Discussing the annual and quarterly financial statements with the external auditors and the company's management before issuing them.
- j) Reviewing the external auditor's comments on the financial statements and follow up actions taken about them
- k) To review the following topics with the external auditors:
  - i. Key amendments made by the Company to its accounting policies.
  - ii. Material conflicts with the management regarding any issue pertaining to the safeguarding of invested assets.
  - iii. Violations of Laws, Regulations and Instructions issued by the supervisory and control entities or non-compliance with the Company's policies and procedures.
  - iv. Comments of other auditors (of external, non-Saudi Arabian, branches) on accounting procedures, reports and professional conduct.
  - v. Deficiencies in the general structure and performance of internal control systems.
  - vi. Material errors in financial statements.
  - vii. Management decisions and the basis on which the external auditors relied to validate critical accounting estimates, such as technical provisions and reserves.
  - viii. Accounting principles and standards and disclosure decisions related to extraordinary transactions.
  - ix. Adequacy of technical provisions and reserves set by the Actuary.
  - x. Actuary's Reports relevant to the Financial Statements.
  - xi. Any major problems in dealing with the management that affected the working of the audit.
  - xii. Internal control and the assessment of the Company's assets and solvency.
  - xiii. Any other issues that the committee is aware of and falls within its responsibilities.
  - xiv. Any amendments introduced to the audit scope and the reasons thereof.
  - xv. Reviewing letters to management prepared by the external auditors and the Company's management comments thereon.

## **10. Financial Reports**

- a) Reviewing and recommending the approval of the annual and quarterly financial statements to the Board of Directors.
- b) Reviewing the critical accounting policies and procedures in addition to the modifications that might be introduced thereto.
- c) Ensure that all financial transactions are according to the local rules and regulations.

## **11. Internal Audit**

- a) Submit recommendations to the Board to appointing or dismissing the manager of the internal audit department or the internal auditor. This recommendation requires having obtained SAMA's non-objection in writing.
- b) Supervise the company's internal audit department to ensure its effectiveness in executing the activities and duties specified by the Board of Directors.
- c) To review the Internal Audit policies and procedures on annual or periodic basis and prepare a written report and its recommendations with respect to it.
- d) Ensure the independence of the internal audit department or the internal auditor in performing their tasks and ensure that there are no restrictions on their scope of work or any impediments that might negatively affect their work
- e) Determining the monthly salary and bonus of the internal audit department manager or the internal auditor after obtaining the Board's written approval.
- f) Reviewing the audit plan of the internal auditors.
- g) Reviewing the reports of the internal audit department or the internal auditor and submits the related recommendations to the Board.
- h) Pursues the implementation of the corrective measures in respect of the comments included in the reports.
- i) Assessing the competence level, efficiency and objectivity of the internal audit department or the internal auditor.
- j) Reviewing the internal auditors' assessment of the internal control of Saudi Central Bank, Insurance Supervision Department processes.

## **12. Compliance**

- a) Submit recommendations to the Board the appointing or dismissing of the manager, the compliance control department or the compliance officer. This recommendation requires having obtained SAMA's non-objection in writing
- b) Ensure the independence of the compliance control department or the compliance officer in performing their tasks and ensure that there are no restrictions on their scope of work or any impediments that might negatively affect their work.
- c) Determining the monthly salary and bonus of the compliance control department manager or the compliance officer after obtaining the Board's written approval.
- d) Reviewing, approving and monitoring the implementation of the compliance plan and the reports of the compliance control department or the compliance officer including any high risk for fraud findings and submits the related recommendations to the Board
- e) Reviewing the comments of SAMA and the related supervisory and control entities and submits the related recommendations to the Board.
- f) Assessing the competence level, efficiency and objectivity of the compliance control department or the compliance officer.
- g) Following up on the reports issued by SAMA and the related supervisory and control entities in addition to any international developments such as the guidelines of the Financial Action Task Force FATF and submits the related recommendations to the Board.

## **13. Appointed Actuary**

- a) Submit recommendations to the Board to appoint the Actuary. This recommendation requires having obtained SAMA's non-objection in writing.
- b) Ensure the Company's compliance with the actuary suggestions and recommendations.
- c) Reviewing the actuary reports and submits the related recommendations to the Board

## **14. Overseeing Controls over Operations**

- a) Ensuring the Company has a written code of conduct duly approved by its Board of Directors to ensure that the Company's activities are conducted in a fair and ethical manner.

## **15. Board of Directors**

- a) Reports directly to the Board of Directors not less than quarterly about its activities, issues and related recommendations.
- b) Provide an open avenue of communication between internal audit, the external auditors, and Board of Directors.

## **16. Other Responsibilities**

- a) Develop a detailed plan stating its roles, responsibilities and mandate, provided that the plan is approved for implementation by a Board decision.
- b) Reviewing intra-group transactions and related parties transactions.
- c) Following up on the important lawsuits filed by or against the company and submits the related periodic reports to the Board.
- d) Ensuring the optimal use and controls of information technology necessary to generate accurate and reliable information and data are in place.
- e) The Audit Committee members are accountable to SAMA, the Company's shareholders and the Board for implementing the articles of SAMA's "Audit Committee Regulation in Insurance and/or Reinsurance Companies" and executing the committee's action plan issued by a Board's decision.
- f) The committee members should, while performing their tasks, give priority to the company's interest against any other considerations that might affect their work or decisions.

## **17. Responsibilities of Individual Committee Members**

- a) Attend all or majority of Committee meetings.
- b) Dedicate enough time to participate in the conduct of AC Committee matters and meetings.
- c) Inform the Chairman of the Committee in writing if they cannot attend a meeting.
- d) Maintain the confidentiality of the Company's information gained through performing their duties and shall not publicize confidential information to shareholders out of the General Assembly or to any other party.
- e) Ensure integrity with the conduct of AC Committee matters and meetings.
- f) Obtain adequate skills and trainings necessary for the participation and conduct of the Committee matters.
- g) Participate and vote on the Committee decisions.
- h) Provide full support to the Chairman (and Vice Chairman) of the Committee in setting-up of the meeting agendas and confirmation on minutes of the meetings.
- i) Inform other members of the Committee on any change in regulations and leading practices effecting role and responsibilities of the Committee.

## **18. Information Flow**

- a) The committee's Chairman shall provide SAMA directly and without referring to the Board with copies of any of the reports and recommendations it issues and the related decisions issued by the company within seven (7) working days maximum as of the report submission date.
- b) The committee shall submit directly its reports and recommendations to the Board to take the necessary actions and take the appropriate decisions.
- c) The Manager of the Internal Audit Department or Internal Auditor shall submit their special reports directly to the Audit Committee in case of any financial or nonfinancial infringements related to the company's internal systems or in case of non-compliance with the Internal Audit Manuals and the implementation of the internal audit resulting decisions.
- d) The Manager of the Internal Audit Department or Internal Auditor shall provide SAMA directly and without referring to the Board, the audit committee, or the senior management with copies of such special reports submitted to the audit committee within seven (7) working days maximum as of the report submission date.

- e) The Manager of the Internal Audit Department or Internal Auditor reports directly to the Chairman of the Audit Committee with respect to functional performance, and to the CEO for administrative reasons none of the company's executive managers have direct or non-direct authority on the Internal Audit Department Manager or Internal Auditor. In addition, the Company cannot dispense the Manager of the Internal Audit Department or Internal Auditor unless it has a written approval from SAMA.
- f) The Manager of the Compliance Control Department or Compliance Officer shall submit their special reports directly to the Audit Committee in case of any violations or infringements of the Law on Supervision of Cooperative Insurance Companies and its Implementing Regulation or SAMA's Regulations and Instructions as well as in case of any violations or infringements of related Laws, Regulations, Decisions or Instructions.
- g) The Manager of the Compliance Control Department or Compliance Officer shall provide SAMA directly and without referring to the Board, the Audit Committee or the senior management with copies of such reports submitted to the audit committee within seven (7) working days maximum as of the report submission date.
- h) The Manager of the Compliance Control Department or Compliance Officer reports directly to the Chairman of the Audit Committee with respect to functional performances, and to the CEO for administrative reasons. None of the company's executive managers have direct or non-direct authority on the Compliance Control Department Manager or Compliance Officer. In addition, the Company cannot dispense the Manager of the Compliance Control Department or Compliance Officer unless it has a written approval from SAMA.

## 19. General Agenda Rules

Agendas, along with relevant materials, shall be sent to the members' minimum 10 working days before the meeting.

Fixed Agenda items:

- a) Review quarterly financial statements
- b) Internal Audit missions feedback
- c) Internal Audit Plan progress
- d) Review implementation of audit findings' corrective actions
- e) Important correspondence with Authorities
- f) Miscellaneous
- g) Other Agenda items:
  - i. Recommendation to the BOD for approval of annual and quarterly financial report (prior to publishing the financials)
  - ii. Recommendation to the BOD of the appointment of external auditors (once a year prior to General Assembly)
  - iii. Review the internal audit procedure (once a year)
  - iv. Review Risk Management Process (once a year)
  - v. Other agenda items as per the members suggestions

## 20. General Rules of the Minutes

The draft minutes of the meeting shall be sent to the members maximum 5 days after the meeting. After incorporating the comments of the members (after 5 days from receiving the minutes) the minutes will be circulated to all committee members. The minutes shall be signed by the members and the Secretary of the Committee in the following meeting and entered into an Official Register.

The minutes of the committee shall indicate the meeting's attendance, topics discussed, major deliberations, voting process, objections and abstentions from voting (with reasons if any), decisions taken, and reservations. Each point in the minutes shall be structured into Presentation, Deliberation and Decision. Decision shall be further categorized as Resolution, Ratification or Noted. In addition, the Decisions has to be described if voted Unanimously, Majority or split (through Chairman's casting vote). All records and documents reviewed during the meeting and/or referred to in the minutes shall be attached to the minutes.

The person or entity responsible for implementing the resolutions taken shall be determined. The committee shall, at the beginning of each year, set a specific timetable for receiving reports from the relevant sources and shall ensure that the mechanism for the collection, preparation and submission of reports and data is in place and in line with the internal adopted policy. It shall also ensure the preparation of the important information and its presentation to the committee on a timely basis.

### **III. Investment Committee**

#### **1. Chairman**

The Chairman is selected by the Board of Directors (after obtaining SAMA's Non-Objection); in case of absence a temporary Chairman will be selected.

Furthermore, reference to article 51(c) of the CG Regulations stipulates the Chairman of the Board may not also be the Chairman of the Audit Committee.

#### **2. Members**

- a) The Investment Committee is appointed by the Board of Directors (after obtaining SAMA's "no objection") for a 3 years term, however, the membership term of the Board member who is also a member in the Investment Committee is related to his membership term in the Board of Directors.
- b) It is constituted of a minimum of 3 members and shall be constituted of independent and dependent members and should collectively have sufficient expertise to understand the important issues related to investment policy. The committee should also ensure that all individuals conducting and monitoring investment activities have sufficient levels of knowledge and experience.
- c) Any vacancy will be filled by the Board of Directors.
- d) Members of the committee shall always be informed of the course of business and act in good faith; with due diligence; in compliance with the applicable laws and regulations; and in the best interest of the Company's shareholders, policyholders, and other Stakeholders.
- e) Members of the committee are prohibited from disclosing to shareholders or the public any confidential information obtained as they perform their role, other than in the general assembly, and must not use such information for their own benefit and personal gain.

#### **3. Mandate**

The mandate of the members of the Investment Committee is to develop and assess the implementation of the Company's investment policy which governs the Company's investment operations and the method of managing its investment portfolio similar to the mandate of the Board of Directors. The mandate ending on 7th August 2025 of the existing Investment Committee is extended from 8th of August 2022 to 7th of August 2025.

#### **4. Meetings**

- a) The Investment Committee shall not be held without the presence of two-thirds of its members.
- b) The Investment Committee shall meet together at least four (4) times a year.
- c) Decisions are taken by the majority of the members.

#### **5. Secretary / Administrator**

Secretary to be decided by the Chairman subject to SAMA's approval.

The Responsibilities of the secretary shall include the following:

- a) Arranging meetings of the Committee;
- b) Ensuring the availability of appropriate means of communication for the exchange and recording of information between the Committee, and between members of senior management;
- c) Maintaining minutes of the meetings; and
- d) Follow-ups on the Decisions, Resolutions and Actions from previous meeting.

## 6. Objective

To oversee the Investment Function ensuring that investments contribute towards the company's overall goal of providing an acceptable return on equity capital and policyholders' funds; and generate adequate returns while minimizing the risk of losing the amount invested due to credit events. The emphasis shall also be on liquidity of investments to ensure that the company can meet all its liabilities.

## 7. Main Responsibilities

The Investment Committee reports to the Board and its main responsibilities are:

- a) Prepare along with the senior management a written investment policy including risk limits and delegated authority.
- b) Assess the investment recommendation made by the top management.
- c) Formulate the investment policy and review the implementation of the investment activities on a quarterly basis. These activities include but are not limited to:
  - i. Reviewing the performance of each asset class.
  - ii. Monitoring the overall risks of the policy.
  - iii. Submitting a performance review report to the Board of Directors.
- d) Review on annual or periodic basis the investment related policies and procedures of the Company and recommend amendments to its.
- e) Set the investment strategy in accordance with the investment policy approved by the BoD.
- f) Ensure the proper implementation of the investment policy/strategy on a quarterly basis.
- g) Establishing and reviewing Investment guidelines for the Company.
- h) Establishing and reviewing quality criteria for the Company's investment and strategy.
- i) Establishing and reviewing guidelines for the Company's portfolio structure.
- j) Reviewing the Financial markets' analysis prepared by the Investment Department and the asset manager.
- k) Investment income / performance review against the plan.
- l) Ensure the compliance of all investment activities with the requirements of the Investment Regulation issued by SAMA and any other applicable laws and regulations.
- m) Review the monthly report prepared by the Management regarding the activities of the period, the portfolio structure and composition, the risk exposure, the details of any regulatory or internal limits breached during the period as well as the actions taken; the activities planned for the future.
- n) Reviewing also the Market risk, also referred to as asset liability mismatch risk, and arises in all cases in which assets deviate from liabilities or may deviate in adverse scenarios. Almost any type of investment has inherent market risk, like equity risk, spread risk, rate risk, property risk liquidity risk or currency risk, in addition to exposure to the risk free rate. Liabilities are also exposed at least to movements of the risk free rate used for discounting and may depend on other market risk factors in case of participating life business. Hence, market risk may arise due to underwriting activities as well as due to investment strategies in all portfolios.

## 8. General Agenda Rules

Agendas, along with relevant materials, shall be sent to the members minimum 10 days before the meeting. Supporting documents not sent with the Agenda has to be sent maximum 5 days prior the meeting.

Fixed Agenda items:

- a) Review of the investment performance
- b) Suggestion of new investment instruments (in line with investment allocation agreed with the BOD)
- c) Review implementation of the Investment Manual and Policy
- d) Other Agenda items:
  - i. Suggestion of new investment allocation to the Board of Directors

- ii. Other agenda items as per the members suggestions

## **9. General Rules for the Minutes**

The draft minutes of the meeting shall be sent to the members maximum 5 days after the meeting. After incorporating the comments of the members (after 5 days of receiving the minutes) the minutes will be circulated to all committee members. The minutes shall be signed by the members and the Secretary of the Committee in the following meeting and entered into an Official Register.

The minutes of the committee shall indicate the meeting's attendance, topics discussed, major deliberations, voting process, objections and abstentions from voting (with reasons if any), decisions taken, and reservations. All records and documents reviewed during the meeting and/or referred to in the minutes shall be attached to the minutes.

The person or entity responsible for implementing the resolutions taken shall be determined. The committee shall, at the beginning of each year, set a specific timetable for receiving reports from the relevant sources and shall ensure that the mechanism for the collection, preparation and submission of reports and data is in place and in line with the internal adopted policy. It shall also ensure the preparation of the important information and its presentation to the committee on a timely basis.

## **VI. Nomination & Remuneration Committee**

### **1. Chairman**

The Chairman is selected by the Board of Directors (after obtaining SAMA's Non-Objection); in case of absence a temporary Chairman will be selected provided that the Chairman of the Board may not also be the Chairman of the nomination & remuneration committee.

### **2. Members**

- a) The nomination & remuneration committee is appointed by the Board of Directors (after obtaining SAMA's "no objection") for a 3 years term, however, the membership term of the Board member who is also a member in the Nomination & Remuneration Committee is related to his membership term in the Board of Directors.
- b) It is constituted of a minimum of 3 members two of which must be independent members.
- c) Any vacancy will be filled by the Board of Directors.
- d) The Chairman of the committee members must be an independent member.
- e) The Chairman is selected by the board of directors after obtaining SAMA's "no objection". In case of his absence, a temporary Chairman will be appointed by the committee's Chairman.
- f) Members of the committee shall always be informed of the course of business and act in good faith; with due diligence; in compliance with the applicable laws and regulations; and in the best interest of the Company's shareholders, policyholders, and other Stakeholders.
- g) Members of the committee shall perform their duties free from any external influence, whether from within or outside the Company. Members of the committee shall not allow their own personal interest, or the interest of the parties they represent, to come before, or in conflict with, that of the Company, its shareholders, and other Stakeholders.
- h) Members of the committee are prohibited from disclosing to shareholders or the public any confidential information obtained as they perform their role, other than in the general assembly, and must not use such information for their own benefit and personal gain.

### **3. Mandate**

The mandate of the members of the Nomination & Remuneration Committee is similar to the mandate of the Board of Directors. The mandate ending on 7th August 2025 of the existing N&R Committee is extended from 8th of August 2022 to 7th of August 2025.

#### **4. Meetings**

- a) The Nomination & Remuneration Committee meeting shall not be held without the presence of two-thirds of its members.
- b) The committee shall meet at least twice a year and is entitled – if needed – to hold other meetings.
- c) Decisions are issued by the majority of the members. In case of tie, Chairman's casting vote shall be applied.
- d) The committee is entitled to invite – if needed - whomever it deems relevant to attend its meetings.
- e) The nomination and remuneration committee reports to the Board.

#### **5. Secretary or Administrator**

Secretary to be decided by the Chairman subject to SAMA's approval. The Responsibilities of the secretary shall include the following:

- a) Arranging meetings of the Committee;
- b) Ensuring the availability of appropriate means of communication for the exchange and recording of information between the Committee, and between members of senior management;
- c) Maintaining minutes of the meetings; and
- d) Follow-ups on the Decisions, Resolutions and Actions from previous meeting.

#### **6. Objective**

- a) Annual review of the requirement of suitable skills for membership of the Board of Directors.
- b) Review the structure of the Board of Directors and recommend changes.
- c) Review remuneration and compensation policies and obtain board of directors' approval on the same.
- d) Recommend recruitment of senior management and succession plans.

#### **7. Main Responsibilities**

- a) Recommend to the Board appointments of membership to the Board of Directors, Board Committees and of Top Executives in accordance with the approved policies and standards and regulatory requirements. The Committee shall ensure that no person who has been previously convicted or any offense affecting honor or honesty is nominated for such membership.
- b) Establish a succession policy and procedures for the CEO and other key members of Senior Management and monitoring the implementation of the succession plans and process.
- c) Regularly review the structure and composition of the Board of Directors and its committees and recommend changes.
- d) Reviewing the requirement of suitable skills for membership of the Board and its committees on an annual basis and preparing descriptions of the required capabilities and qualifications for such memberships, including the time that a member should reserve for the activities of the Board and/or Board committees.
- e) Assess and monitor the independence of Board and Board committee members and ensure the absence of any conflict of interest, including ensuring the independence of the independent members, at least on an annual basis.
- f) Determine strengths and weaknesses of the BOD and the Committees and recommend remedies.
- g) Prepare description of required capabilities and qualifications for membership in the BOD, including the time that a Board member should reserve for the activities of the Board.
- h) Carve clear policies regarding the compensation and remuneration of the Board members, Board committees and senior executives.
- i) Evaluate the performance of the Board and Sub-Committee members on a regular basis (at least once per year).
- j) Approve and evaluate the compensation and succession plans, policies and programs of the Company.
- k) Make recommendations to the Board with regards to selecting and dismissing members of Senior Executives.

- l) Provide recommendations to the Board of Directors on various issues related to nomination and remuneration.
- m) Ensure that an annual remuneration review is conducted independently of executive management (by internal audit or external specialized firm).
- n) Review on annual or periodic basis the HR policies and procedures and recommend amendments to it.

## **8. Nomination Procedures**

When nominating a Board member, the nomination committee shall take into consideration the provisions of CMA Corporate Governance Regulations and the requirements set by the CMA and SAMA. The number of nominees to the Board whose names are presented to the General Assembly shall be more than the number of available seats to give a chance to the General Assembly to select the Board members among those nominees.

## **9. Publishing Nomination Announcement**

The Company shall publish the nomination announcement on the websites of the Company and the Exchange and through any other medium specified by the Authority; to invite persons wishing to be nominated to the membership of the Board, provided that the nomination period shall remain open for at least a month from the date of the announcement.

## **10. Nomination Rights of Shareholders**

Each shareholder has the right to nominate him/herself or others to the membership of the Board in accordance with the provisions of the Companies Law and Its Implementing Regulations

## **11. General Agenda Rules**

Agendas along with relevant materials, shall be sent to the members' minimum 10 working days before the meeting. Supporting documents not sent with the Agenda has to be sent maximum 5 working days prior the meeting.

Agenda items:

- a) Review the independence of BOD members
- b) Review remuneration of the board members
- c) Review the bonuses of the top executives
- d) Review new candidates to the BOD
- e) Review the remuneration adjustment of top management executives (once a year around December)
- f) Other agenda items as per the members suggestions

## **12. General Rules of the Minutes**

The draft minutes of the meeting shall be sent to the members maximum 15 days after the meeting. After incorporating the comments of the members (after two weeks of receiving the minutes) the minutes will be circulated to all committee members. The minutes shall be signed by the members and the Secretary of the Committee in the following meeting and entered into an Official Register.

The minutes of the committee shall indicate the meeting's attendance, topics discussed, major deliberations, voting process, objections and abstentions from voting (with reasons if any), decisions taken, and reservations. All records and documents reviewed during the meeting and/or referred to in the minutes shall be attached to the minutes.

The person or entity responsible for implementing the resolutions taken shall be determined. The committee shall, at the beginning of each year, set a specific timetable for receiving reports from the relevant sources and shall ensure that the mechanism for the collection, preparation and submission of reports and data is in

place and in line with the internal adopted policy. It shall also ensure the preparation of the important information and its presentation to the committee on a timely basis.

**Part of the nomination and remuneration committee responsibilities is to recommend appointments of membership to the Board of Directors in accordance with the approved policies and standards described below.**

### **13. Methods of appointing the Board of Directors:**

- a) The Board of directors must comprise of no less than six members appointed for a 3 years mandate.
- b) The board member should have number of shares with an amount not less than 10,000 SAR. These shares must be deposited within 30 days from the appointment, in one of the banks specified by the ministry of Commerce.
- c) The board Member must be trustworthy and experienced in financial and insurance business to enable them to carry out their duties in the best possible way.
- d) The board members shall not be a member of the board of directors, a board committee member or occupy a leadership position in any other insurance and or Reinsurance Company.
- e) The Company shall not nominate a member to its board of directors or to a senior management position without the written approval of the SAMA in the following circumstances:
  - i. A Person who had held similar position in a liquidated Company.
  - ii. A Person who had been dismissed from a similar position in another Company.
- f) The majority of the members of the Board of Directors shall be non-executive members.
- g) The independent members of the Board of Directors shall not be less than two members, or one-third of the members, whichever is greater.
- h) The board member shall not act as a member of the Board of Directors of more than five joint stock companies at the same time.
- i) It is prohibited to conjoin the position of the Chairman of the Board of Directors with any other executive Position in the company, such as the Chief Executive Officer (CEO) or the managing director or the general manager.
- j) The Board member must not have any direct or indirect benefits from the contracts made by the company unless it is authorized by the General assembly. This excludes the businesses done with arm's length when the shareholder has the better offer.
- k) The board member must not contribute in any businesses or deals that may compete with the company unless it is authorized by the general assembly.
- l) Fit and proper standards issued by the SAMA shall be applied to the Company's Chairman, Board Members, Directors, and Senior Managers. Designated forms issued for this purpose shall be completed and approved by the SAMA.
- m) The Chairman of the Board (Chairman) shall be elected by the Board of Directors amongst the members.
- n) The Members of the Board shall collectively have the appropriate diversity with respect to qualifications, knowledge, experience, and skills in the various areas of the Company's business and operations. In addition, each individual Board member must possess the appropriate level of qualifications, knowledge, experience, skills, and the integrity to effectively perform his or her role and discharge his or her responsibilities.
- o) A member of the Board is required to be professionally capable and has the required experience, knowledge, skill and independence, which enable him/ her to perform his/her duties efficiently . He/ she shall have the following qualifications in particular:
  - i. Ability to lead: He/she shall enjoy leadership skills which enable him/ her to delegate powers in order to enhance performance and apply best practices in effective management and compliance with professional ethics and values.
  - ii. Competency: He/ she shall have the academic qualifications and proper professional and personal skills as well as an appropriate level of training and practical experience related to the current and future businesses of the Company and the knowledge of management, economics, accounting, law or governance, as well as the desire to learn and receive training.

- iii. Ability to guide: He/ she shall have the technical, leadership, and administrative competencies as well as the ability to take prompt decisions, and understand technical requirements and developments related to the job. He/ she shall also be able to provide strategic guidance and long-term planning and have a clear future vision.
- iv. Financial knowledge: He/ she shall have the ability to read and understand financial statements and reports.
- v. Physical fitness: He/ she shall not suffer from any health issue that may hinder him/her from performing his/ her duties and responsibilities. The General Assembly shall take into account, when electing members to the Board, the recommendations of the nomination committee and the availability of the personal and professional capabilities required to perform their duties effectively pursuant to this Article.

## **V. Risk Committee**

### **1. Chairman**

The Chairman is selected by the Board of Directors from any non-executive members (after obtaining SAMA's Non-Objection); in case of absence a temporary Chairman will be selected provided that the Chairman of the Board may not also be the Chairman of the nomination & remuneration committee.

### **2. Members**

- a) The Risk Committee is appointed by the Board of Directors (after obtaining SAMA's "no objection") for a 3 years term, however, the membership term of the Board member who is also a member in the Risk Committee is related to his membership term in the Board of Directors.
- b) It is constituted of a minimum of 3 members and headed by a non-executive members, its members have an appropriate financial and risk management knowledge.
- c) Any vacancy will be filled by the Board of Directors.
- d) Members of the committee shall always be informed of the course of business and act in good faith; with due diligence; in compliance with the applicable laws and regulations; and in the best interest of the Company's shareholders, policyholders, and other Stakeholders.
- e) Members of the committee are prohibited from disclosing to shareholders or the public any confidential information obtained as they perform their role, other than in the general assembly, and must not use such information for their own benefit and personal gain.
- f) The risk management committee reports to the Board.

### **3. Mandate**

The mandate of the members of the Risk Committee is similar to the mandate of the Board of Directors. The mandate starts 8th August 2022 and will end to 7th of August 2025.

### **4. Meetings**

- a) The Risk Management Committee shall not be held without the presence of two-thirds of its members.
- b) The Risk Management Committee shall meet together at least four (4) times a year.
- c) Decisions are taken by the majority of the members. In case of tie, Chairman's casting vote shall be applied

### **5. Secretary / Administrator**

Secretary to be decided by the Chairman subject to SAMA's approval. The Responsibilities of the secretary shall include the following:

- a) Arranging meetings of the Committee;
- b) Ensuring the availability of appropriate means of communication for the exchange and recording of information between the Committee, and between members of senior management;

- c) Maintaining minutes of the meetings; and
- d) Follow-ups on the Decisions, Resolutions and Actions from previous meeting.

## 6. Objective

To oversee the Risk Management Function ensuring the identification of risks that may imperil the Company and maintain an acceptable risk profile.

## 7. Main Responsibilities

The Risk Committee reports to the Board and its main responsibilities are:

- a) Identifying risks that may imperil the Company and maintaining an acceptable risk profile for the Company and ensuring that the Company does not go beyond such level;
- b) Overseeing the risk management system and assessing its effectiveness;
- c) Defining a comprehensive risk management strategy for the Company that are consistent with the nature and volume of the Company's activities, overseeing its implementation, and reviewing and updating it on a regular basis by taking into account developments that are internal and external to the Company;
- d) Ensuring the feasibility of the Company continuation, the successful continuity of its activities and determining the risks that threaten its existence during the following twelve (12) months;
- e) Ensuring the availability of adequate resources and systems for risk management;
- f) Reviewing the organizational structure for risk management and providing recommendations regarding the same before approval by the Board;
- g) Verifying the independence of the risk management employees from activities that may expose the Company to risk;
- h) ensuring that the risk management employees understand the risks threatening the Company and seeking to raise awareness of the culture of risk;
- i) reviewing any issues raised by the Audit Committee that may affect the Company's risk management;
- j) Reviewing risk management policies, procedures and Risk Appetite Framework on annual or periodic basis and recommend amendments to it;
- k) Re-evaluating the Company's tolerance for, and exposure to, risk on a regular basis (e.g. through stress testing exercises);
- l) Reporting to the Board details of risk exposures and recommending actions to manage them; and
- m) Advising the Board on issues related to risk management.
- n) The scope of the Risk Committee shall cover the below risk categories together with their underlying sub-categories:
  - i. Market Risk: Interest Rate Risk, Equity Risk, Property Risk, Currency Risk, Spread Risk and Liquidity Risk.
  - ii. Counterparty default Risk: Reinsurance, Concentration, Other counterparties and Credit Risk.
  - iii. Non-Life Underwriting: Pricing (General), Pricing (Health), Reserving (General), Reserving (Health), Non-Life catastrophe and Lapse
  - iv. Life Underwriting: Mortality, Longevity, Morbidity & Disability, Lapse, Expense and Catastrophe.
  - v. Strategic Risk: Business, Market/ Country and Reputational
  - vi. Operational Risk: Internal fraud, external fraud, HR, Physical Damage, Cyber-attack,
  - vii. System Failure, Data Quality and Process management
  - viii. Actuarial outputs: Reserving, Underwriting non-life, Underwriting Life, Reinsurance and Solvency
  - ix. Oversight: Senior Management, Risk Management, Compliance, Audit, Operational management
  - x. Conduct of Business: Product development, Product promotion disclosure & sales, Claims, Complaints and Privacy protection
  - xi. Regulatory & AML: Regulatory, AML.

## **8. General Agenda Rules**

Agendas, along with relevant materials, shall be sent to the members' minimum 10 working days before the meeting. Supporting documents not sent with the Agenda has to be sent maximum 5 working days prior the meeting.

Fixed Agenda items:

- a) Review of the risk profile and exposure of the Company
- b) Review statutory solvency of the Company
- c) Review implementation of the Risk Management Manual and Policies

Other Agenda items:

- i. Review the Risk Management Manual and Policies

## **9. General Rules for the Minutes**

The draft minutes of the meeting shall be sent to the members' maximum 5 days after the meeting. After incorporating the comments of the members (after one weeks of receiving the minutes) the minutes will be circulated to all committee members. The minutes shall be signed by the members and the Secretary of the Committee in the following meeting and entered into an Official Register.

The minutes of the committee shall indicate the meeting's attendance, topics discussed, major deliberations, voting process, objections and abstentions from voting (with reasons if any), decisions taken, and reservations. All records and documents reviewed during the meeting and/or referred to in the minutes shall be attached to the minutes.

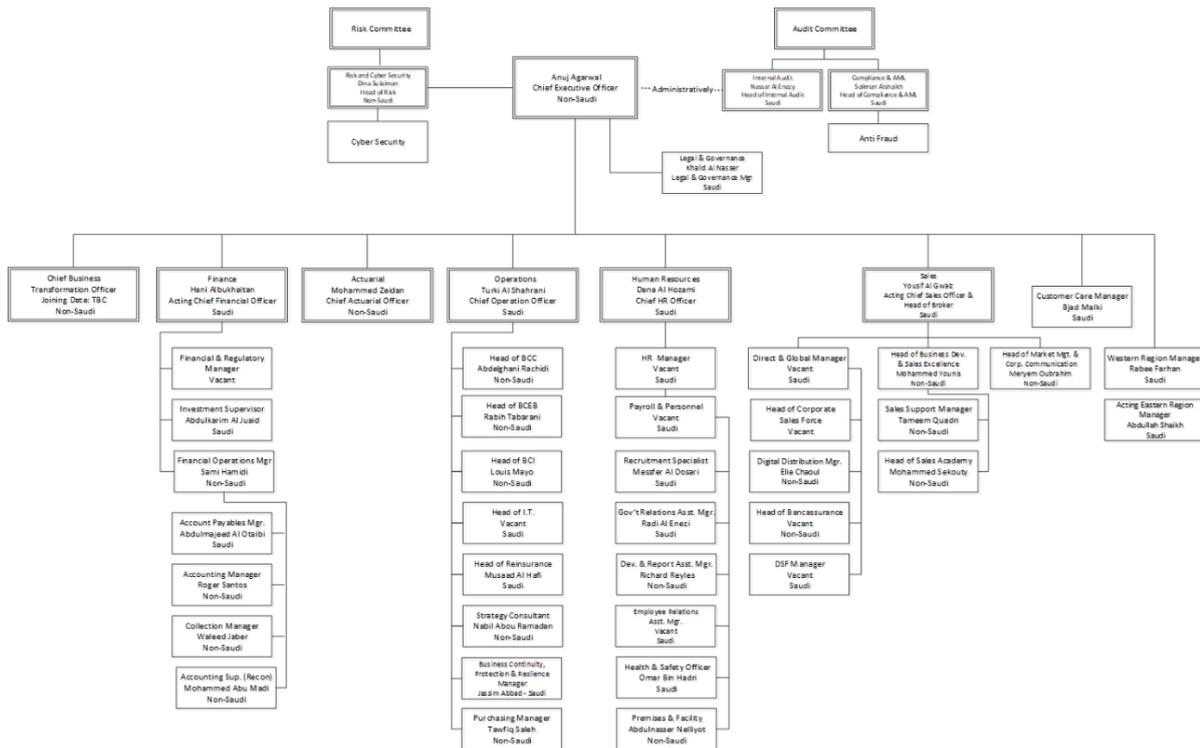
The person or entity responsible for implementing the resolutions taken shall be determined.

The committee shall, at the beginning of each year, set a specific timetable for receiving reports.

## H. Control and Report System

### I. Organization Chart

The Organization chart of the Company with effect from 01/09/2022 including various business units is shown below:



\* Organization chart is a dynamic document and changes are duly approved by the CEO & the next Nomination & Remuneration Committee.

### II. Reporting lines and interfaces with Allianz SE

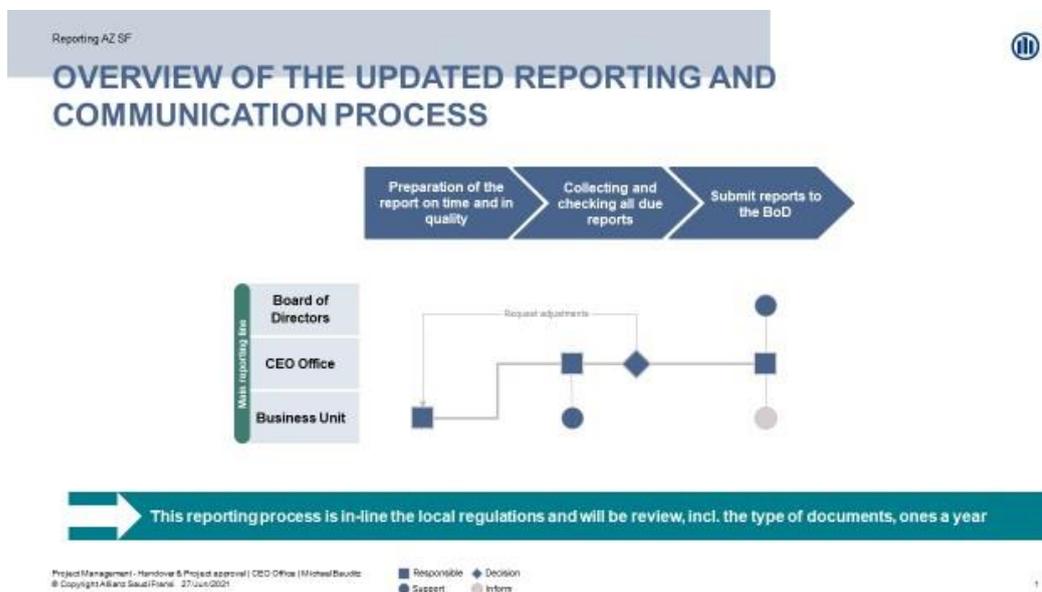
- a) Solid lines: The Allianz SF CEO reports to the member of the Board of Management of Allianz SE in charge of the Business Division.
- b) For Functional lines, the following principles apply:
  - i. The Allianz SF functions have functional reporting lines to the corresponding Group function.
  - ii. Nominations of Allianz SF heads of central functions and operations are pre-aligned with the head of the respective Group function.
  - iii. For 2nd line-of-defense (Risk, Actuarial, Legal & Compliance) and 3rd line-of-defense (Internal Auditor) functions (as defined below), vetoes of these central functions should not be overruled without the prior consultation of the respective Group central function. In addition, any dismissal of the Allianz SF heads of central functions and operations are pre-aligned with the head of the respective Group function
  - iv. In case of disagreement between Group Center and Allianz SF, the escalation will be to the respective functional and regional Board member and finally to the CEO (Allianz SE).
  - v. The Allianz SF's CEO is accountable for compliance with these rules.

c) Key Functions: Allianz SF implements the following key functions:

- i. Risk Management function.
- ii. Compliance function;
- iii. Legal function
- iv. Actuarial function
- v. Audit function
- vi. Accounting & Reporting function

d) Reporting outside Allianz Saudi Fransi

- i. Allianz Saudi Fransi shall report any confidential data and/or information outside the company as per KSA regulations only.
- ii. For a clear communication and monitoring, the following reporting and communication process was approved by the Board of Directors on 27/10/2021.



- Other ways of communication are not allowed. For any uncertainties the CEO Office and Compliance will align on it, based on a case-by-case decision.
- All information shall be shared to the directors of the company. Information required for consolidation process may be shared directly with Group centers in Munich.

### III. Internal Control System

The Board is required to approve an internal control system for the Company in order to assess the policies and procedures relating to risk management, implementation of the provisions of the Company's governance rules approved by the Company and compliance with the relevant laws and regulations. Such system is required to ensure compliance with clear accountability standards at all executive levels in the Company, and that related party transactions are implemented in accordance with the relevant provisions and controls.

The internal control system of Allianz SF consists of risk controls, compliance and internal audit. Its objectives are:

a) Safeguarding Allianz SF's existence and business continuity

- b) Creating a strong control environment and ensuring that all personnel are aware of the importance of internal control and their role in the internal control system.
- c) Conducting control activities commensurate to the risks arising from activities and processes in the Company (Governance and Control Committee).
- d) Providing the management with the relevant information for their decision-making processes.
- e) Ensuring compliance with applicable laws and regulations.

## 1. Definition of internal controls

Notwithstanding the oversight and controls exercised by the Board of Directors and the different internal committees, additional internal controls are embedded within Allianz SF into the operational and organizational set-up and are subject to constant review.

Internal controls, therefore, describe the set of activities undertaken within Allianz SF to achieve defined control objectives, such controls are in place and applied across all segments and lines of business. These controls continuously review the effectiveness of all relevant processes and procedures, their coherence and take actions to timely rectify deficiencies. The entirety of activities undertaken to perform controls in different areas establish the internal control system of Allianz SF.

## 2. Control functions

Control Functions are divided in consideration of the three-lines-of-defense model into three main categories:

- a) Any function not deemed as 2nd or 3rd line performs first line controls.
- b) Second level controls are exercised by:
  - i. Compliance function
  - ii. Legal function
  - iii. Risk Management function
  - iv. Actuarial function (for reserves calculation)

The concrete control areas and activities of these functions are outlined in: --> *Allianz SF Compliance Policy; Allianz SF Risk Policy, Allianz SF Actuarial Policy.*

- c) Third level controls are performed by the internal audit function. The concrete control areas and activities of this function is outlined in --> *Allianz SF Audit Policy*

## 3. Three-lines-of-defense model

Allianz SF applies a “Three-lines-of-defense” model with graduated control responsibilities:

- a) The first line of defense is performed in the business through the management of day-today activities, risk management and controls. Key activities, in particular, include the operational management of risks and returns by taking or directly influencing the origination, pricing and acceptance of risks.
- b) The second line of defense (Actuarial, Risk, Legal & Compliance) provides independent oversight and challenge of the day-to-day risk taking and controls by the first line. Its key activities, inter alia, include:

- i. Providing assurance on the design and operation of the control environment, including the evaluation/validation, reporting or effectiveness of control models and methodologies.
- ii. Advising on risk mitigation strategies and control activities (including providing professional opinions) towards business and management.

The Control functions have the following competencies:

- i. Independence in terms of reporting lines and objectives.
  - ii. The right to participate in key business decisions processes (but no direct management) and to request all relevant information necessary to conduct a professional judgment.
  - iii. A direct reporting line to the relevant member of the Strategic Steering Committee and an unfettered access to the entire SSC.
  - iv. The right to veto business decisions on sound grounds.
- c) The third line of defense (Internal Auditor) provides independent assurance across the first and second lines. Its activities include particularly
- i. an independent assessment of the effectiveness and efficiency of the Internal Control System of Allianz SF, including the activities exercised by the first and second lines, and
  - ii. A respective report to the Strategic Steering Committee.

The same competencies as for 2nd lines apply for the 3rd line function.

The Actuarial, Legal, Compliance, Risk Management and Internal Audit functions, together with Accounting and Reporting (despite of not being a 2d or 3d line of defense function) jointly ensure and assess, at least once per year during the Governance and Control Committee meeting that clear and consistent responsibilities and processes regarding the control framework are in place and executed. These functions closely cooperate, maintain reciprocal oversight and are aware of concrete tasks and competencies of each sister function. The responsibility of the Internal Audit function to independently assess the effectiveness and efficiency of the Company's internal control system remains unaffected. In addition, the head of Internal Audit keeps the heads of Actuarial, Legal, Compliance and Risk Management informed of any audit findings in their area of responsibilities.

#### **4. Integrated Risk and Control System**

Allianz SF applies an Integrated Risk and Control System (IRCS) to support effective management of operational risks, including reporting risks, compliance risks and other operational risks (e.g. information security, business continuity, outsourcing, legal). The IRCS constitutes a harmonization with respect to the principles, processes, methodologies (e.g. risk assessment, issue classification) and reporting formats employed by key control functions as part of their responsibility to oversee operational risk management by the business.

The IRCS provides a control effectiveness assessment covering the most important controls ("key controls") relied upon to mitigate significant operational risks (on an inherent basis).

#### **5. Specific control areas:**

As part of the overall control system, Allianz SF applies a series of control around the following business segments:

- a) Internal controls over financial reporting and accounting procedures;
- b) Controls around compliance risks
- c) Controls around Information security;
- d) Controls around the solvency capital requirement;

- e) Controls around underwriting and products;
- f) Controls around investments;
- g) Controls around protection and resilience.

Details on each control are outlined in each business segment's corresponding Policy and procedures.

## I. Company's Departments

### I. SALES

- a) Direct Sales Force (DSF)
- b) Corporate Sales Force (CSF)
- c) Preferred Brokers
- d) Business Development
- e) Retail Bancassurance
- f) Corporate Bancassurance
- g) Sales Management
- h) Training
- i) Point of Sales
- j) Marketing & Communication
- k) Market Management

### II. OPERATIONS

The Company is a customer centric and has designed its structure accordingly. The Companies' operations are divided into departments split by customers' needs rather than by line of business. The operations departments are divided as follows:

- a) Corporate customers served by the "Business Center Corporate (BCC)" for P&C business
- b) and by the "Business Center Health (BCH)" for health business.
- c) Individual customers served by the "Business Center Individual (BCI)".
- d) Insurance claims served by the "Business Center Claims (BCL)".
- e) All of the above are backed up with the "Information Technology (IT)" department.

#### 1. Business Center Corporate (BCC)

Provides insurance solutions for corporate customers in Property & Casualty (P&C).  
Performs the following functions:

- a) Policy Renewal & Services
- b) Pricing & Quotations
- c) Underwriting
- d) Policy Insurance
- e) Risk Assessment
- f) Faculty Reinsurance

#### 2. Business Center Employee Benefits (BCEB)

Provides Health Insurance solutions for corporate and individual costumers.  
Performs the following functions:

- a) Policy Renewal & Services
- b) Pricing & Quotations
- c) Underwriting
- d) Policy Insurance
- e) Risk Assessment

- f) Faculty Reinsurance

### **3. Business Center Individual (BCI)**

Provides insurance solutions for corporate customers in sectors: (a) Property & Casualty & Motor (P&C&M) and (b) Protection & Savings.

Performs the following functions:

- a) Policy Renewal & Services
- b) Pricing & Quotations
- c) Underwriting
- d) Policy Insurance
- e) Risk Assessment
- f) Faculty Reinsurance

### **4. Information Technology (IT)**

- a) Software Management
- b) Hardware & Networking
- c) IT Security & Business Continuity Management

### **5. Reinsurance**

### **6. Protection & Resilience**

## **III. Human Resources & Government Relations**

- a) Employee Relations
- b) Recruitment & Planning
- c) Development
- d) Personnel & Administration
- e) Government Relations
- f) Security & Facility Management
- g) Support Services

## **IV. Finance**

- a) Finance & Collection
- b) Accounting
- c) Reconciliation
- d) Investment, Planning & Reporting
- e) Purchasing

## **V. Internal Audit (Reporting to the Audit Committee)**

## **VI. COMPLIANCE (Reporting to the Audit Committee)**

## **VII. Risk**

- a) Risk
- b) Cyber Security

## **VIII. Actuarial**

- a) Corporate Actuarial
- b) Actuarial Pricing
- c) Product Development
- d) Actuarial Life

## IX. Customer Care & Complaints

## X. Legal & Governance Department

- a) Legal;
- b) Governance;
- c) Outsourcing;
- d) Litigation & Collection

## I. Internal Committees

### I. IFRS 17 Steering Committee Charter

The Board has delegated their power and authority to IFRS 17 Steering Committee (SteerCo), which comprises of the following senior management:

Chief Executive Officer	Member
Chief Financial Officer	Chairman
Chief Actuarial Officer (Internal)	Project Lead
Actuarial Assistant Manager	Member and record keeper
Head of IT	Member
Head of Compliance	Member
Head of Internal Audit	Member
Head of Risk	Member
Chief Operating Officer	Member
Appointed Actuary (External)	Member

Actuarial Work Rules, Article 50, require “Determine and recommend to the Board of Directors and Senior Management the Company’s Insurance Contract Assets and Liabilities (including where relevant Technical Provisions), using appropriate methodologies and assumptions for their determination, consistent with current financial reporting standards applicable in the Kingdom.” Hence, the Appointed Actuary also plays a vital role in the Steering Committee for the IFRS-17 implementation.

### Meeting Schedule and Process

The SteerCo meets every month and reports to the Board through the executive committee (Audit Committee). The Steering Committee will meet at least once a month to ensure that the IFRS-17 implementation project is being properly executed and is on track to meet the deadline.

The project lead will organize and schedule the meetings. The project lead will prepare the Agenda for Steering Committee Meetings. The minutes of the meetings will be properly maintained.

### Roles and Responsibilities

It has the following key responsibilities:

#### Primary Responsibilities – Steering Committee

- Ensure that the project is aligned with company’s business strategy
- Assist in resolving project execution level issues and risks
- Ensure design is comprehensive and detailed enough, and meets IFRS17 Standard and business requirements
- Change management plans for implementation
- Assess project progress and report on project to Board Audit/Executive Committee
- Provide the overall project guidance, including project governance and oversight, implementation and transition project plan and key priorities along with strategic direction to the project

- Internal control environment changes, including controls over data, controls around significant judgements, assumption changes and other inputs, monitoring controls and control considerations relating to temporary transition solutions
- Impact on and communication with key stakeholders, including chief financial officer, internal audit, investors and analysts, external auditors and supervisory bodies and regulators
- Technology needs and changes, including technology approach, vendor selection and data considerations
- Ensuring that the plan is on-track and milestones are being achieved

#### Ancillary Responsibilities – Steering Committee

- Project planning and management
- Managing the transition
- Business, processes, systems and data
- Financial reporting and controls
- Accounting policies, judgements and estimates
- Resources and trainings
- Business impact
- Stakeholder communications
- Disclosures
- Applications
- Management bias (for auditors to check)
- Benchmarking (for auditors to check)

## Approval of Rules of Procedure

These Rules of Procedure for the Steering Committee have been approved by the CEO of the Allianz Saudi Fransi.

Amendments to these Rules must be approved by the CEO of Allianz Saudi Fransi in order to be valid.

The Project Lead is responsible for maintaining and proposing updates to the Rules. The Rules will be reviewed as required by the committee members, at minimum quarterly. When updates to the Rules are necessary, the Project Leader will take responsibility for coordination with the relevant units within Allianz Saudi Fransi.

## I. Strategic Steering Committee Charter (SSC)

### 1. Chairman:

The CEO presides the meetings of the Strategic Steering Committee.

### 2. Members:

CEO, DCEO, COO, CFO, CSMO, CHRO and CAO.

Members should be Grade 1 “Top Management”. If the member is not available, he/she shall be represented by his/her appointed deputy.

### 3. Guests: as Required

Head of Internal Audit, Head of Compliance

### 4. Secretary/Administrator:

CEO’s Executive Assistant

## **5. Objective:**

The Strategic Steering Committee will be responsible for setting the overall strategic directions of Allianz SF and ensuring that all actions are consistent with Allianz Group standards & objectives. The SSC has to ensure that the company's strategy is robust and is constantly challenged against changing Market trends and the on-going analysis of competitors' performance. This includes regular reviews of project development, the overall business performance against plan and budget per department and for the company in general.

## **6. General Agenda Rules:**

Agendas for each Committee have to be prepared and ready for distribution at least 3 days before the Committee date. Fixed Agenda items will normally be:

- a) Review of previous meeting minutes
- b) Strategy Review
- c) Quantitative Targets review
- d) Qualitative Targets review
- e) Human Resource policy review

All the members should submit their proposals beforehand to the Committee secretary and have to identify the purpose for which they have submitted a specific item to the agenda under one of the following specific descriptions:

- a) Information only,
- b) Discussion and review,
- c) Decision making and actions,

Where presentations are to be made which are for anything other than information purposes only, copies must be provided to the participants at least three days before the meeting. This will allow all members to read the material and attend the meeting briefed and ready for the discussions and/or decisions that are required.

## **7. General Rules for the Minutes:**

The Committee Minutes has to be prepared and distributed within 3 working days from the date of the meeting. The minutes have to highlight three categories of information:

- a) Decisions reached,
- b) Action items that people need to follow up on (identifying responsibilities for each action and the implementation time frame), open issues.

## **8. Main responsibilities include:**

- a) Developing new business strategies to ensure expansion and improvements.
- b) Monitoring and reviewing existing strategies and strategic orientations.
- c) Assessing the global performance of all departments / units within AzSF.
- d) Liaising with the Board of Directors to inform them of AzSF activities and performance.
- e) Preparing business plans.
- f) Coordinating business activity across AzSF to ensure a consistent strategy and drive.
- g) Setting overall Human Resources policy.

## **II. Management Committee Charter (MC)**

### **1. Chairman:**

The CEO presides the weekly meetings of the Management Committee and the SSC members presides the formal monthly Management Committee by rotation.

## **2. Members:**

- SSC members
- Department Heads of Operations
- Heads of Sales Channels
- Regional Sales Manager
- Marketing & Communication Manager
- Finance Manager
- Risk Manager
- Customer Care & Complaints Manager
- Actuarial Manager
- Legal & Governance Manager
- Head of the CEO Office
- If the Manager of the department is not available he/she shall delegate his/her appointed deputy.
- As needed guests who can provide a value added to issues covered will also be invited.

## **3. Permanent Guests:**

- Head of Internal Audit,
- Head of Compliance

## **4. Secretary/Administrator:**

- CEO's Executive Assistant

## **5. Objective:**

The Management Committee will be responsible for ensuring that the overall strategic plans of Allianz SF are being implemented. One of the main objectives of the Management Committee is to facilitate communication of key strategic and business issues consistently across the organization and to discuss topics related to overall business performance. The Management Committee is responsible for agreeing HR and staff related issues as required and in coordination with the recommendations made by the HR Department. The Management Committee shall ensure that all departments have risk management responsibilities entailed in their responsibilities.

## **6. Frequency and Duration of meetings:**

The Management Committee weekly for a duration of 1 to 2 hours.

## **7. General Agenda Rules:**

Agendas for each Committee have to be prepared and ready for distribution at least 3 days before the Committee date. Fixed Agenda items will normally be:

- a) Review of previous meeting minutes
- b) Production Reports
- c) Major business materialized
- d) Major Business lost to competitors
- e) Major claims reported life and non-life
- f) Major customer complains & legal cases
- g) IT requests status
- h) Financial Results
- i) Collection Status
- j) Human resources statistics
- k) Announcements
- l) Market news (Insurance Companies, Banks, etc.)

- m) Major new Business relation/deal (new Bancassurance partner, joint venture
- n) Review of new and existing projects
- o) Internal Audit plan progress
- p) Compliance Progress

All the members should submit their proposals beforehand to the Committee secretary and have to identify the purpose for which they have submitted a specific item to the agenda under one of the following specific descriptions:

- Information only,
- Discussion and review,
- Decision making and actions.

Where presentations are to be made which are for anything other than information purposes only, copies must be provided to the participants at least three days before the meeting. This will allow all members to read the material and attend the meeting briefed and ready for the discussions and/or decisions that are required.

#### **8. General Rules for the Minutes:**

The Committee Minutes has to be prepared and distributed within 3 working days from the date of the meeting. The minutes have to highlight three categories of information:

- Decisions reached,
- Action items that people need to follow up on (identifying responsibilities for each action and the implementation time frame), open issues.

#### **9. Main responsibilities include:**

- a) Ensure that the project is aligned with company's business strategy.
- b) Assist in resolving project execution level issues and risks.
- c) Ensure design is comprehensive and detailed enough, and meets IFRS17 Standard and business requirements.
- d) Change management plans for implementation.
- e) Assess project progress and report on project to Board Audit/Executive Committee
- f) Provide the overall project guidance, including project governance and oversight, implementation and transition project plan and key priorities along with strategic direction to the project .
- g) Internal control environment changes, including controls over data, controls around significant judgements, assumption changes and other inputs, monitoring controls and control considerations relating to temporary transition solutions.
- h) Impact on and communication with key stakeholders, including chief financial officer, internal audit, investors and analysts, external auditors and supervisory bodies and regulators.
- i) Technology needs and changes, including technology approach, vendor selection and data considerations.
- j) Ensuring that the plan is on-track and milestones are being achieved.

#### **10. Ancillary Responsibilities – Steering Committee**

- a) Project planning and management
- b) Managing the transition
- c) Business, processes, systems and data
- d) Financial reporting and controls
- e) Accounting policies, judgements and estimates
- f) Resources and trainings
- g) Business impact
- h) Stakeholder communications
- i) Disclosures
- j) Applications
- k) Management bias (for auditors to check)

- l) Benchmarking (for auditors to check)

#### **11. Main responsibilities include:**

These Rules of Procedure for the Steering Committee have been approved by the CEO of the Allianz Saudi Fransi.

Amendments to these Rules must be approved by the CEO of Allianz Saudi Fransi in order to be valid.

The Project Lead is responsible for maintaining and proposing updates to the Rules. The Rules will be reviewed as required by the committee members, at minimum quarterly. When updates to the Rules are necessary, the Project Leader will take responsibility for coordination with the relevant units within Allianz Saudi Fransi.

### **III. Governance & Control Committee Charter (GovCC)**

#### **1. Effective Date**

With effect from 3rd of December 2019, the GovCC Committee succeeded the activities of the Governance, Risk & Control Committee as defined in the Governance, Risk & Control Committee Charter VF18 20.12.2017. Its role and responsibilities have been amended as per the Governance & Control Policy.

#### **2. Chairman**

Legal & Governance Manager

#### **3. Members**

- Head of Risk
- Head of Compliance
- Head of Internal Audit

#### **4. Guests**

The Committee may invite guests to any Committee meeting, at its discretion

#### **5. Secretary / Administrator**

Appointed by Committee Members

#### **6. Objective**

The GovCC Committee will be responsible for Official sharing Independent oversight of the Company related to Governance, Risk, Internal Audit and Compliance.

This Committee provides exchange of information between 2nd and 3rd Lines of Defense particularly the functions of Governance, Legal, Risk, Internal Audit and Compliance.

The Committee will also be responsible to take immediate decisions and actions regarding any reported non-compliance incident or high and severe findings.

#### **7. Frequency and duration of Meeting**

The GovCC Committee officially meets once every quarter.

The GovCC Committee also meets on request of each of the members upon identification of a High or Severe Risk or a serious non-compliance issue.

## **8. Reporting**

The GovCC committee is a standalone Committee.

The GovCC is an internal committee and nor the Compliance nor the Internal Audit functions are reporting to the GovCC. Both departments report directly to the Audit Committee. However, they are participating to the GovCC in order to:

- Allow them to have a clear understanding about the development of risks in the Company
- Allow the Management of the Company to follow-up in the outcomes/actions of the GovCC.
- MOM of GovCC are sent to: All members.

## **9. Main Responsibilities**

Review the monthly activities related to:

- a) Governance
- b) Risk Management
- c) Internal Audit
- d) Compliance
- e) Review any new Implementation Regulation and its implication on the Company Governance
- f) Identify any needed adjustment on Company Manuals and to review and approve the company's manuals/policies
- g) Review all the findings of the Audit Committee and the follow up of the agreed actions
- h) Support the Board of Management with respect to regulatory governance requirements
- i) Facilitate the collaboration between the key control functions on governance and control related topics
- j) Oversee the company's System of Governance and to conduct the regular review of its System of Governance including preparation on respective recommendations to the company's Board of directors.
- k) Oversee the company's framework for its Internal Control System

## **10. General Agenda Rules**

Agendas for each meeting have to be prepared and ready for distribution at least 3 days before the Committee date. At the end of each quarter, a Quarterly review meeting should address all the following fixed agenda items.

- a) Governance
  - i. Identify any organization change impacting Corporate Governance
  - ii. Identify any organization topic impacting the company's system of Governance
- b) Control functions
  - i. Update & Discuss Overall major topics.
  - ii. New Laws & Regulations issued by local authorities (SAMA, CMA & CCHI).
  - iii. Important topics related to internal control system.

## **11. General Rules for the Minutes**

The Committee Minutes has to be prepared and distributed within three (3) working days from the date of the meeting. The minutes have to highlight three categories of information:

- a) Decisions reached
- b) Action items that people need to follow up
- c) Open issues

## **IV. Operations & Sales Committee Charter (OSC)**

### **1. Chairman**

The Chief Operation Officer presides the meetings of the OSC.

### **2. Members**

- CSO
- Managers of BCC, BCI, BCEB and BCL
- Managers of Communications, Market Management, Sales Channels
- Regional Managers

For the official monthly meetings in case any designated member could not attend for any reason, he will have to delegate to one of his direct reports.

### **3. Guests**

The CEO will be invited as required and at least once a month.

The Head of CEO Office is a permanent guest in this committee and will support for all top level escalations, e.g. BoD, AZ Group

As needed, guests who can provide a value added to issues covered will also be invited.

### **4. Secretary/Administrator:**

Head of Business Development & Sales Excellence

### **5. Objective:**

The OSC will be responsible for ensuring that Operations, Sales and Marketing are working closely together and sharing the same strategic objectives of Allianz SF in order to achieve and over exceed the projected Business plan per distribution channel. The OSMC will ensure that the overall strategic distribution plan of Allianz SF is being implemented consistently across the organization. The committee will also monitor the changing Market dynamics and competition to come out with robust response from Allianz SF.

Note: The OSC replaces the previous OSMC.

### **6. Frequency and Duration of meetings:**

The OSC meets once a week The AGENDA for this meeting and the minutes of the meeting from the previous meeting will be shared 2 working days before.

The duration of the meeting should be on an average 1 to 2 hours.

### **7. Main Responsibilities:**

- Productivity & performance vs. plan
- Sales channels updates and Market Trends
- Communication activities
- New Business opportunities
- Open issues between Operations and Sales

## **8. General Agenda rules:**

The Agendas for each meeting have to be prepared and distributed at least 3 days before the meeting date.

All the members should submit their proposals for Agenda beforehand to the Committee secretary and have to identify the purpose for which they have submitted a specific item under one of the following:

- a) Information only
- b) Discussion and Review
- c) Decision making and actions

Where presentations are to be made which are for anything other than information purposes only, copies must be provided to the participants at least 2 days before the meeting. This will allow all members to read the material and attend the meeting fully briefed and ready for the discussions and / or decisions that are required.

## **9. General Rules for the Minutes:**

The Committee Minutes have to be prepared and distributed within 2 working days from the date of the meeting. The minutes have to highlight three categories of information:

- a) Decisions reached
- b) Action items that people need to follow
- c) Open issues

## **V. Finance Committee Charter (FiCo)**

### **1. Chairman**

The CEO presides the meetings of the Finance Committee and in his absence, the CFO will replace him.

### **2. Members:**

- Chief Operations Officer (COO)
- Chief Financial Officer (CFO)
- Finance Manager
- Investment Manager
- Head of Risk (Veto right)

### **3. Guests:**

The Company will invite guests from BSF and/or Allianz Group and/or AIM as required.

### **4. Secretary / Administrator:**

The secretary of the committee should be appointed by the committee.

### **5. Objectives:**

The Finance Committee ("the FiCo") of Allianz Saudi Fransi serves as an internal committee reporting to the Investment Committee. Its primary task is to regularly review the investment strategy of the Company and its alignment with local implementing regulations and Allianz Group standards.

#### **Specifically, its tasks are:**

- a) to oversee the investment portfolios of the respective companies,
- b) to ensure a risk / return profile of investments which is consistent with the ALM requirements of the respective companies,

- c) to implement a defined investment management process and the investment guidelines of the Allianz Group,
- d) to review significant investment transactions according to defined limits,
- e) to oversee planning and development of the respective companies' investment income,
- f) to ensure the proper and efficient use of risk capital budgeted to the respective companies.

**Its objectives are:**

- a) to prepare investment proposals that will be submitted to the Investment Committee and
- b) to regularly provide additional input to the Investment Committee for sound business decisions in investment management.

The FiCo also monitors and assesses the achievement of plan data in these areas during the business year, and helps defining measures of improvement for the Investment Committee. Furthermore, the FiCo controls the implementation of measures decided by the Investment Committee and the Board of Directors across the organization.

**6. Frequency and duration of Meeting:**

The FiCo meets at least once every two months at a date proposed by the Secretary for a duration of one to two hours. Meetings can be held by conference calls. Extra meetings can be called by the Chairperson at the request of any of the member.

**7. Reporting:**

The FiCo reports directly to the Investment Committee.

**8. General Agenda rules:**

The agenda and schedule for meetings are determined by the secretary of the Finance Committee and shall be distributed at least three working days before the meeting. Fixed agenda items will normally be:

- Capital markets overview
- IFRS investment result/planning
- investment performance
- asset liability management
- investment strategy
- investment opportunities
- new investment regulations

All the members should submit their proposals beforehand to the Committee secretary and have to identify the purpose for which they have submitted a specific item under one of the following:

- Information only
- Discussion and Review
- Decision making and actions

**9. General Rules for the Minutes:**

The Committee Minutes have to be prepared and distributed within 2 working days from the date of the meeting. The minutes have to highlight three categories of information:

- a) Decisions reached
- b) Action items that people need to follow
- c) Open issues

## 10. Main Responsibilities:

The FiCo serves as an internal committee that reports to the Investment Committee:

- a) To recommend the Strategic Asset Allocation (SAA) of the respective portfolios
- b) To review the FX positions of the invested assets
- c) To provide recommendations on derivatives strategies
- d) To review the IFRS investment income plan for the coming year and the next three years alongside with the local GAAP investment income, and reviews the development of the investment income.

## 11. Scope of Functions

The Finance Committee:

- a) formulates investment guidelines that represent group-wide policies regarding the coordination of the investment process,
- b) recommends the asset allocation of the respective portfolios,
- c) recommends the strategic duration of the respective fixed income portfolios,
- d) review the allocation of asset management mandates and asset manager's performance,
- e) reviews the investment performance as well as implementation of investment policy,
- f) review new investment opportunities in different asset classes and recommend specific opportunities to the Investment Committee,
- g) provides recommendations on all other aspects related to investments after coordination with the Investment Committee.

## 12. Specifications for Investment Process

The Finance Committee sets guidelines for investments. Specifically the responsibilities of the Finance Committee are:

- a) to support implementation of the Group-wide policies by the Investment Committee,
- b) to set up additional restrictions, if necessary, and submit to the Investment Committee for its approval.
- c) Investment guidelines cover the minimum requirements needed to coordinate the investment process and to
- d) develop a common language around the notions
  - i. Planning,
  - ii. ALM and Risk Management,
  - iii. Performance Measurement,
  - iv. Reporting / Accounting.
- e) improve local standards to best practice levels.

## 13. Specifications for Asset Allocation

The Finance Committee supports the asset allocation process of Allianz Saudi Fransi. Within this responsibility, its functions are:

- a) to support application of the targets for the asset allocation and setting benchmarks and investment targets for asset classes and specific investment mandates,
- b) to support approval of the coming year's asset allocation of Allianz Saudi Fransi with due consideration of the development of capital markets, the asset/liability structure and allocated risk capital of Allianz Saudi Fransi and the interests of Allianz Saudi Fransi and its shareholders,
- c) to prepare further selected strategies in coordination with the Investment Committee such as FX-risk strategy etc.

## **14. Specifications for Asset Management**

The Finance Committee supports the selection of asset managers. An asset manager has to be appointed unless Allianz Saudi Fransi's assets are managed within its investment department or by Allianz Saudi Fransi's asset management subsidiary.

Specifically, the Finance Committee's responsibilities are:

- a) to set principles for asset management in terms of minimum requirements and selection criteria for asset managers in line with Group policy,
- b) to support the choice between investing in segregated / discretionary portfolios or in collective / pooled funds,
- c) to periodically review the performance of asset managers.

## **15. Specifications for IFRS Investment Income Planning and Steering**

The functions of the Finance Committee in steering the IFRS investment income are:

- a) To propose an investment income target for the coming year and submit to Investment Committee for approval,
- b) to discuss and propose controlling tools concerning the steering of IFRS investment income,
- c) to suggest steering measures of the current year's IFRS investment income of Allianz Saudi Fransi and impairments of assets in accordance with the interests of Allianz Saudi Fransi and Allianz Group,
- d) to review the previous and current year's performance and investment income.

## **16. Specifications for Transactions requiring Authorization**

All transactions' authorizations are defined by the Investment Committee for which the Finance Committee submits its suggestions as per Group standards.

# **VI. Reserves Committee Charter (ResCom)**

## **1. Nature and objectives of the Reserve Committee of Allianz Saudi Fransi**

The Reserve Committee of Allianz Saudi Fransi ("ResCom") is a Functional Committee and has been established by resolution of the Board of Directors of Allianz Saudi Fransi.

**The ResCom has the following objectives:**

- a) Oversight over and monitoring of Allianz Saudi Fransi's reserve balances for according to the regulatory & IFRS standards.
- b) Analysis and review of reserves and initiating necessary measures.
- c) Controlling of developments and movements of reserve accruals and discussion of potential adjustments to reserves.

## **2. Scope**

**ResCom** deals with all matters related to reserve balances in line with regulatory and IFRS requirements and technical provisions. Reserve balances include non-life loss and loss expense reserves on an IFRS basis. Technical provisions comprise claims provisions and premium provisions but also related items like counterparty default adjustment, projected cash flows, discounting and risk margin.

## **3. Composition**

The members of the ResCom are the individuals representing the following functions:

- Chief Executive Officer (CEO)
- Chief Financial Officer (CFO)
- Chief Actuarial Officer (CAO)
- Finance Manager
- Assistant Actuarial Manager
- Appointed Actuary (see Annex K of the Corporate Governance manual for the full Scope of Services)

Standing guests are:

- COO and/or CUO
- BCC, BCEB and BCI Managers (in the absence of COO/CUO)
- Claims Manager
- Head of Risk
- Representative of Allianz Group Actuarial

The Chairperson may invite additional guests to discuss specific topics.

#### **4. Quorum, voting and escalation**

- a) The ResCom shall form a quorum if all Members have been invited and at least three of them, including the Chairperson or a Member named by the Chairperson, participate in the meeting. Absent Members may vote in written form, by telephone, fax, or via electronic means. The absent Members shall be informed immediately of the resolutions adopted.
- b) Resolutions are generally adopted during meetings and shall be taken by simple majority of votes cast. In case of a tie, the CFO, acting in his capacity as member of ResCom, has a casting vote.
- c) Resolutions outside of meetings shall be taken unanimously only. In general, resolutions of the ResCom require the participation of the CFO and shall be based on a a recommendations of the Chairperson.
- d) However, according to the Actuarial Work Regulations issued by the regulator, the Appointed Actuary is held responsible for determining and recommending the Company's technical provisions. Hence, all the reserves have to be calculated and booked according to his guidance.
- e) If a matter is particularly urgent (for example, if ResCom cannot meet prior to the closing of the Allianz Saudi Fransi's reserve balances), such resolution may be taken by three Members only, including the Chairperson or a Member named by the Chairperson. This urgent resolution shall be reported to all Members immediately, regardless whether it has been approved or rejected.
- f) Standing guests and guests invited for special agenda items ("ad-hoc guests") have no voting right and may at any time be excluded from meetings of the ResCom.

#### **5. Organization**

- a) The Chairperson of the ResCom shall be the Chief Actuarial Officer.
- b) The ResCom generally adopts resolutions during meetings to be convened by the Chairperson. Where necessary and so determined by the Chairperson, meetings may also be held by telephone or video conference. Resolutions may also be adopted outside of meetings by voting in written form, by fax, or via electronic means.
- c) Meetings of the ResCom shall be chaired by its Chairperson or, in his/her absence, by a Member so designated by the Chairperson; absent such designation, the CFO shall chair the meeting.
- d) The Chairperson determines the agenda and schedules for the meetings. Regular meetings of the ResCom shall be held quarterly, after the end of each quarter of the year before completing the booking of the reserve balances. Extraordinary meetings may be called by the Chairperson. Each Member may also request the convening of a meeting and in doing so shall notify the topic to be deliberated together with such request.
- e) Meetings shall be called with a notice period of ten working days or, if a matter is of particular urgency, with a shorter notice period. An agenda of the meeting shall be distributed with the invitation;

documentation necessary for resolutions to be taken in the meeting (cf. no. 5.6 below) shall be distributed with the invitation or without undue delay after circulating the invitation, but no later than five working days prior to the meeting.

- f) Minutes shall be taken during every meeting of the ResCom, containing at least place and date of the meeting, participants, the agenda, and the wording of the resolutions including their reasoning and potential dissenting opinions. The minutes shall be signed by the Chairperson (or by such other Member which has chaired the meeting) and distributed within ten working days to all Members of the ResCom and to such other persons as the Chairperson may deem appropriate. The minutes are deemed to be approved unless a Member, after having received the minutes, disagrees with them at the next meeting.
- g) Minutes shall also be taken on resolutions outside of meetings and shall be signed by the Chairperson.
- h) The Chairperson is responsible for managing the administrative process and keeping all the ResCom documents. Documentation, in particular, covers relevant actuarial reports including technical assessments and rationales substantiating the final reserve evaluations.

## **6. Responsibilities of the Reserve Committee**

- a) Determination of reserve balance of Allianz Saudi Fransi
- b) Determination of reserve balances, including financial reporting of the relevant balance sheet item.
- c) Drafting of a Reserve Report for Allianz Saudi Fransi. The CFO or the Chairperson shall present this report to the Board of Directors of Allianz Saudi Fransi at least twice a year.

## **7. Responsibilities of Company and Subcommittees**

The Company have to fully support the ResCom in any respect to fulfil its functions and it is obliged to abide by the directives and resolutions of the ResCom, subject to local laws and regulations.

The ResCom is not allowed to form any subcommittees.

## **8. Approval and updating of Rules of Procedure**

- a) These Rules of Procedure for the ResCom ("Rules") have been approved by the Board of Directors of the Allianz Saudi Fransi on 20.12.2017.
- b) Amendments to these Rules must be approved by the Board of Directors of Allianz Saudi Fransi in order to be valid.
- c) The Chairperson is responsible for maintaining and proposing updates to the Rules. The Rules will be reviewed as required by the Actuarial Manager, at minimum annually. When updates to the Rules are necessary, the Actuarial Manager will also take responsibility for coordination with the relevant units within Allianz Saudi Fransi.

# **VII. Product Approval Committee Charter (PACom)**

## **1. Nature and objectives of the Product Approval Committee**

The Product Approval Committee of Allianz Saudi Fransi ("PACom") is a Functional Committee and has been established by resolution of the Board of Directors of Allianz Saudi Fransi.

The PACom has the following objectives:

- a) Oversight and monitoring of Allianz Saudi Fransi's products development
- b) Ensure that all relevant functions are involved in the development cycle
- c) Ensure alignment of new products with the local and AzGroup requirements
- d) Early flagging if triggers for regulator and Group product approval requirements are activated
- e) Monitor the profitability of existing products
- f) Ensure comprehensive completion of Product Approval Report, in line with regulator, AzGroup Product Framework, AzGroup Product Approval Report
- g) Sign off Product Development Action Plan

h) Project log.

## **2. Scope**

In scope responsibilities

- a) Priority recommendations for the development of approved products concepts
- b) Liaise with members in providing final decision on detailed product Business Case
- c) Coordinate the completion of the product development from the Product Request stage to the approval and launching
- d) Liaise with the CEO in setting the products launch date

Out of scope responsibilities

- a) Launch activities
- b) Marketing the product

## **3. Composition**

The members of the PACom are the individuals representing the following functions:

- Chief Executive Officer (CEO)
- Product Development Manager
- Risk Manager
- Chief Actuarial Officer Chief Sales Officer (CSO)
- Head of Compliance (HC)
- Chief Finance Officer (CFO)
- Chief Sales Officer (CSO)
- MENA CRO

Standing guests are:

- COO and/or CUO
- BCC, BCEB and BCI Managers (depending on the product type)
- Head of Marketing
- Legal Manager.
- Reinsurance Manager.
- Claims Manager.

### ***Important notes:***

- SAMA shall be notified with the names of the chairman and members of the Committee within (5) working days of its formation or if any changes occur.

The Chairperson may invite additional guests to discuss specific topics.

## **4. Quorum, voting and escalation**

- a) The PACom shall form a quorum if all Members have been invited and at least three of them, including the Chairperson or a Member named by the Chairperson, participate in the meeting. Absent Members may vote in written form, by telephone, fax, or via electronic means. The absent Members shall be informed immediately of the resolutions adopted.
- b) Resolutions are generally adopted during meetings and shall be taken by simple majority of votes cast. In case of a tie, the CRO, acting in his capacity as member of PACom, has a casting vote.

- c) Resolutions outside of meetings shall be taken unanimously only. In general, resolutions of the PACom require the participation of the CRO and shall be based on recommendations of the Chairperson.
- d) Standing guests and guests invited for special agenda items (“ad-hoc guests”) have no voting right and may at any time be excluded from meetings of the PACom.

**5. Organization**

- a) The Chairperson of the PACom shall be the CAO.
- b) The PACom generally adopts resolutions during meetings to be convened by the Chairperson. Where necessary and so determined by the Chairperson, meetings may also be held by telephone or video conference. Resolutions may also be adopted outside of meetings by voting in written form, by fax, or via electronic means.
- c) Meetings of the PACom shall be chaired by its Chairperson or, in his/her absence, by a Member so designated by the Chairperson; absent such designation, the PM shall chair the meeting.
- d) The Chairperson determines the agenda and schedules for the meetings. Regular meetings of the PACom shall be held twice a month in case a new product is being developed and on quarterly basis as a continuous monitoring of the existing products’ performance. Extraordinary meetings may be called by the Chairperson. Each Member may also request the convening of a meeting and in doing so shall notify the topic to be deliberated together with such request.
- e) Meetings shall be called with a notice period of five working days or, if a matter is of particular urgency, with a shorter notice period. An agenda of the meeting shall be distributed with the invitation; documentation necessary for resolutions to be taken in the meeting (ref to 5.6 below) shall be distributed with the invitation or without undue delay after circulating the invitation, but no later than two working days prior to the meeting.
- f) Minutes shall be taken during every meeting of the PACom, containing at least place and date of the meeting, participants, the agenda, and the wording of the resolutions including their reasoning and potential dissenting opinions. The minutes shall be signed by the Chairperson (or by such other Member which has chaired the meeting) and distributed within three working days to all Members of the PACom and to such other persons as the Chairperson may deem appropriate. The minutes are deemed to be approved unless a Member, after having received the minutes, disagrees with them at the next meeting. Minutes shall also be taken on resolutions outside of meetings and shall be signed by the Chairperson.
- g) The Product Development Manager (PDM) is responsible for managing the administrative process and keeping all the PACom documents.

**6. Responsibilities of the Product Approval Committee**

The primary function of the PACom is to take responsibility for the feasibility, business case and the achievement of outcomes of a new product. The PACom monitor, review the product status and provide oversight of the product deliverable rollout.

In addition, based on SAMA instructions for Rules of Insurance Products Approval, the committee should be responsible to:

For Products SAMA approval	On-going activities
A. Review the application <b>before submitting to SAMA to ensure that</b>	<b>Assess</b> the Product performance annually,

<p><b>It meets all regulatory</b> Pricing <b>Sound Actuarial Calculations</b> <b>Fair Prices,</b> <b>In Line With SAMA's Associated Instructions.</b> Coverages <b>insurer must comply with</b> provisions and minimum coverages <b>provided in the standard or unified insurance policies issued by SAMA.</b> Consumer Protection Requirements <b>The Insurer must ensure that the Insurance Product is provided with the</b> required level of fair treatment, <b>integrity and financial inclusion, and in accordance with protection principles of insureds and the beneficiaries of the insurance coverage.</b></p>	<p>The <b>feasibility</b> of the sale and marketing of the <u>current</u> Insurance Product.  Give its <b>recommendations</b> whether : Continue <i>Selling, Withdraw, Or Modify</i> Ensure that we have <b>internal systems</b> and <b>controls</b> to <b>manage risks</b> associated with the Insurance Product. Submit its <b>reports</b> to the <b>Risk Management Committee</b> to assist the Insurer in <b>monitoring risks</b> of its Insurance Product effectively.</p>
<p>B. Approval documents : <b>Issue the in appendix (A) of SAMA Rules</b> <b>Appendix (B) created to fulfill the required 7.3.</b></p>	

## 7. Responsibilities of Company and Subcommittees

The Company have to fully support the PACom in any respect to fulfil its functions and it is obliged to abide by the directives and resolutions of the PACom, subject to local laws and regulations.

The PACom is not allowed to form any subcommittees.

## 8. Approval and updating of Rules of Procedure

- These Rules of Procedure for the ResCom ("Rules") have been approved by the Board of Directors of the Allianz Saudi Fransi on 20.12.2017.
- Amendments to these Rules must be approved by the Board of Directors of Allianz Saudi Fransi in order to be valid.
- The Chairperson is responsible for maintaining and proposing updates to the Rules. The Rules will be reviewed as required by the CRO and PM, at minimum annually. When updates to the Rules are necessary, the CRO and PM will also take responsibility for coordination with the relevant units within Allianz Saudi Fransi.

## VIII. Anti-Fraud Committee (IFCom)

### 1. Introduction

The P & C Anti-Fraud Committee of Allianz Saudi Fransi (hereafter : the Committee) is established by the Board of Directors of Allianz Saudi Fransi Cooperative Insurance Co. hereafter named as the BoD of AzSF.

The purpose of the Committee is to assist the Board of AzSF in its responsibilities for fighting against P&C Claim fraud and mitigate the risk of irregularities committed by Customers/Brokers/Partners in their insurance mediation or other unacceptable activities in order to protect AzSF and its customers.

The main tasks of the Committee are focused on (but not limited to):

- Analyzing any suspicion of Customers/Brokers/Partners fraud and potential irregularity committed by intermediaries working with AzSF;
- Requiring inquiries to the Special P&C Claims Team to clarify facts and figures regarding a suspicious case in order to substantiate the fraud and be able to take action;
- Taking any decision, action or sanction to mitigate the consequences of a fraud case (visiting the customer/broker/partner, sending a warning letter, cancelling intermediary's contracts, lodging a claim to the prosecutor/SAMA).
- Adopting any resolution to protect the reputation of AzSF as well as its financial assets and trade interests;

- e) Assuring a follow-up of a decision taken.

## **2. Compliance**

Each member of the Committee shall observe and comply with these Internal Rules and its underlying principles.

The Committee exercises its duties in a careful, expert and comprehensive way, with the observance of applicable law, codes and (but not limited to) the SAMA laws and regulations.

## **3. Membership of the Committee**

The Committee consists of:

- DCEO
- BCL Head (Chairman)
- BCC Head
- Legal Manager
- Compliance Manager
- Reinsurance Manager
- Risk Manager
- Non-Motor Claims Manager (Co-Chairman)

## **4. Appointment and term**

The composition of the Committee shall be diverse and complementary, in such way that the combined knowledge and experience of its members enables the Committee to best perform the variety of its responsibilities and duties, taking into account the nature and size of the cases and risks at stake. The members of the Committee shall be able to act critically, collegially and independently of one another.

Membership of the Committee ceases when a member ceases to hold the title(s) or function(s) as mentioned above.

## **5. BCL Head**

BCL Head is the primary contact person and coordinates with support of the Non Motor Claims Manager the information provision and the decision making process.

The BCL Head ensures that there is sufficient time for consultation, consideration and decision taking.

## **6. Non Motor Claims Manager**

The Non Motor Claims Manager will:

- a) Attend all Committee meetings.
- b) In conjunction with the BCL Head, prepare an agenda or notification of meeting purpose, to be circulated timely and adequately by email and with supporting information to each Committee member before each meeting of the Committee.
- c) Prepare minutes of each Committee meeting, to be circulated before and approved during the next meeting. When validated, a copy is sent to the Committee members.

## **7. Meetings**

- a) The Committee will meet as often as necessary to undertake its role effectively.
- b) Notice must be given to every Committee member of every Committee meeting but there is no minimum notice period.

- c) Acknowledgment of receipt of notice by all members is not required before the meeting may be validly held.
- d) The quorum necessary for a meeting of the Committee will be 50% of the members.
- e) Meetings of the Committee shall generally be held AzSF Meeting room, 3rd Floor.
- f) The contemporaneous linking together by telephone conference or audiovisual communication facilities of the members, wherever in the world they are, shall be deemed to constitute a meeting of the Committee for the duration of the connection, unless a member objects thereto.
- g) Other managers, employees and/or external consultants may attend meetings of the Committee, at the invitation of BCL Head or Non Motor Claims Manager, as guests depending of the type of fraud or case mentioned in the agenda.

## **8. Resolutions**

- a) Resolutions of the Committee shall be passed by a consensus principle.
- b) Each member of the Committee may exercise one vote.
- c) Each member can explicitly authorize another member of the Committee, to represent him or her and to vote on his or her behalf even though, as a rule, each member has the duty to be present.
- d) Resolutions of the Committee may, instead of at a meeting, be passed in writing which shall include an electronic message and a message transmitted by any accepted means of communication and received or capable of being produced in writing - provided that all members are familiar with the resolution to be passed and none of them objects to this decision-making process.

## **9. Information and explanation**

The Committee and its individual members have their own responsibility for obtaining all information required for the due performance of its duties.

The Committee has the right to seek explanations and additional information.

## **10. Transparency**

Validated minutes of the Committee meeting will be sent to all members.

## **11. Applicable law**

These Internal Rules shall be governed by and be construed in accordance with SAMA rules and regulation.

## **12. Review of these Internal Rules**

The Committee will periodically review these Internal Rules to determine its adequacy and will propose changes if deemed necessary for the functioning or composition of the Committee.

# **IX. Large Loss & Dispute Claims Committee**

## **1. Introduction**

The purpose of this Committee is to monitor Large Loss and Dispute Claims exceeding SAR. 1 Million and to assist BCL with the required technical and legal advice to make sure that a foolproof investigation and defense mechanism is in place to provide high quality claims management services in a professional manner.

The main tasks of the Committee are focused on (but not limited to):

- a) Provide high quality claims management services in a professional manner
- b) Maintain adequate & realistic claims reserves and expense reserves
- c) Provide an equitable claims dispute resolution process
- d) Prompt investigation, defense & appropriate settlement of claims
- e) Compliance with fair claims practices and applicable regulations
- f) Adopt any resolution to protect the reputation of AzSF as well as its financial assets and trade interests;

g) Assure follow-up of a decision taken.

## **2. Compliance**

Each member of the Committee shall observe and comply with these Internal Rules and its underlying principles.

The Committee exercises its duties in a careful, expert and comprehensive way, with the observance of applicable law, codes and (but not limited to) the laws and regulations of Saudi Central Bank.

## **3. Members of the Committee**

The Committee consists of:

- CFO
- COO
- Head of Risk
- Head of Reinsurance
- Head of BCL (The Chairman)
- Head of BCC
- Legal & Governance Manager
- Non-Motor Claims Manager (The Vice-Chairman)

Guests:

- Head of Compliance & AML
- Head of Internal Audit

## **4. Appointment and term**

The composition of the Committee shall be diverse and complementary, in such way that the combined knowledge and experience of its members enables the Committee to best perform the variety of its responsibilities and duties, taking into account the nature and size of the cases and risks at stake. The members of the Committee shall be able to act critically, collegially and independently of one another.

Membership of the Committee ceases when a member ceases to hold the title(s) or function(s) as mentioned above.

## **5. BCL Head**

BCL Head is the primary contact person and coordinates with support of the Non Motor Claims Manager the information provision and the decision making process.

The BCL Head ensures that there is sufficient time for consultation, consideration and decision taking.

## **6. Non-Motor Claims Manager**

The Non-Motor Claims Manager will:

- a) Attend all Committee meetings.
- b) In conjunction with the BCL Head, prepare the list of large loss and dispute claims, to be circulated timely and adequately by email to each Committee member before each meeting of the Committee.

- c) Prepare minutes of each Committee meeting and to be circulated to the Committee members immediately after the meeting.

## **7. Meetings**

- a) The Committee will meet on the first Monday of every month.
- b) Notice must be given to every Committee member at least one day prior to the meeting.
- c) Acknowledgment of receipt of notice by all members is not required before the meeting may be validly held.
- d) The quorum necessary for a meeting of the Committee will be 50% of the members, including the Chairman.
- e) Meetings of the Committee shall generally be held AzSF Meeting room, 3rd Floor.
- f) The contemporaneous linking together by telephone conference or audiovisual communication facilities of the members, wherever in the world they are, shall be deemed to constitute a meeting of the Committee for the duration of the connection, unless a member objects thereto.
- g) Other managers, employees and/or external consultants may attend meetings of the Committee, at the invitation of BCL Head or Non Motor Claims Manager, as guests depending of the type of large/dispute case mentioned in the agenda.

## **8. Resolutions**

- a) Resolutions of the Committee shall be passed by a consensus principle.
- b) Each member of the Committee may exercise one vote.
- c) Each member can explicitly authorize another member of his department, to represent him or her.
- d) Resolutions of the Committee may, instead of at a meeting, be passed in writing which shall include an electronic message and a message transmitted by any accepted means of communication and received or capable of being produced in writing - provided that all members are familiar with the resolution to be passed and none of them objects to this decision-making process.

## **9. Information and explanation**

The Committee and its individual members have their own responsibility for obtaining all information required for the due performance of its duties.

The Committee has the right to seek explanations and additional information.

## **10. Transparency**

Validated minutes of the Committee meeting will be sent to all members.

## **11. Applicable law**

These Internal Rules shall be governed by and be construed in accordance with SAMA rules and regulation.

## **12. Review of Internal Rules**

The Committee will periodically review these Internal Rules to determine its adequacy and will propose changes if deemed necessary for the functioning or composition of the Committee.

# **X. Integrity Committee**

## **1. Mission of the Integrity Committee**

The Integrity Committee combines the mission and objectives of the former Whistleblowing and Anti-Fraud Committee. Its goal is to coordinate the activities concerning integrity related topics with main focus on the prevention and detection of corruption, fraud and the handling of whistleblowing cases.

## **2. Objectives of the Integrity Committee**

The objectives of the Integrity Committee are:

- a) Corporate sense on integrity standards: Maintain an understanding of current laws and regulations concerning corporate compliance program and integrity related standards.
- b) Coordination function: Liaise with sister functions (Audit, Risk, Legal Services, Communications, HR) and monitor jointly activities in the field of corruption, fraud and whistleblowing.
- c) Corporate sense on integrity risks: Maintain an understanding of the Allianz Saudi Fransi risks of unlawful and unethical conduct - support and validate Compliance Risk Assessments (e.g. corruption and fraud).
- d) Ensure transparency on Regional/OE Level: The Integrity Committee is informed by the member departments about cases, their status and approach taken.
- e) Coordinate whistleblowing cases: Review communication and ensure that appropriate action will be initiated - including reporting of whistleblowing cases to Regional and/or to Group Legal & Compliance.
- f) Ensure follow-up on reviews and investigations (remediation): Receive and review information/reporting on corruption, fraud and whistleblowing cases in order to identify integrity related process weaknesses and analyze whether the internal control system needs to be improved.
- g) Liaise and collaborate – where applicable – with Regional and/or Group Integrity Committee on a regular basis including ad-hoc reporting of major compliance cases, if necessary.
- h) Adequate HR response: Ensure that disciplinary responses to misconduct are appropriate and reasonably consistent.

## **Composition**

### **3. Members**

The Committee will be expected to include the following departments, represented by their respective heads (these members may nominate employees of their function as members of the Committee – eligible members).

The Committee consists of the following members:

- Compliance Manager
- Internal Audit Manager (non-voting).
- Legal Manager
- Communications Manager
- Head of HR.
- Head of Risk.

\*The Chairman shall be appointed by the CEO case by case taking inconsideration the type of the case and specialty, and if the case involves a woman the Chair has to be a woman among the IC Members.

In the absence of any member, the replacing person for each department should be determined in advance. The Integrity Committee is chaired by local Compliance.

### **4. Guests**

Guests may be invited to Committee meetings as appropriate in order to contribute to discussions of specific agenda items (e.g., IT, Line Managers, Corporate Security).

- The CEO can nominate any C level member to attend as a guest only (non-voting)
- IA as observers (non-voting member)

## **5. Meetings**

The Committee will meet at least bi-annual with authority to convene additional meetings as determined to be necessary by the member departments or the chairperson.

Integrity Committee meetings relating to whistleblowing/corruption and other significant (major) cases on local level will be held on an ad-hoc basis when necessary.

“Significance” is a relative term and depends inter alia on the size of the Business Unit involved and the nature of a potential fraud. When assessing a matter’s significance the following set of criteria should be considered:

- How complex is the matter likely to be?
- How many persons are involved in the scheme inside and/or outside the OE?
- Is more than one local entity possibly involved?
- Will the investigation be easy or will much capacity be needed including external support?
- How large might the financial impact be considering the direct loss as well as potential cost of the investigation?
- Might there be a serious risk for the reputation of the OE / sub group?
- Is someone from the management of the entity possibly actively involved?
- Could the financial disclosure process and / or financial statements be impacted?

All members of the committee should attend the meeting

A meeting to be held with the CEO right after the final report is issued, if he is not able he should assign his deputy in order to take the final decision

## **6. Reporting Duties (whistleblowing, corruption, fraud or other misconduct)**

- The Integrity Committee has to be informed about all significant whistleblowing, corruption, fraud or other misconduct cases by its members.
- Reporting obligations to the management have to be fulfilled within the regular responsibilities of the member departments.
- In case the following criteria are met, then immediate escalation of cases to Group Legal & Compliance (via mail, phone etc.) is required:
- Local/regional CEO, CFO, any other executive reporting directly to the Board or other local/regional safeguarding function (e.g., Compliance, Risk, Internal Audit, Legal, Financial Control).
- Any case of potential corruption on local/regional level; no threshold.
- Discrimination, harassment or any other activity which all may have a serious impact on company’s reputation (OE or group-wide).
- Cases relating to physical threat, extortion/blackmailing or any other similar serious issue relating to personal safety.
- Fraudulent / intentional misstatement resulting in material misstatement of local financial statements.

- Alleged antitrust violations such as agreements between competitors with the object of fixing premiums or terms and conditions, limiting capacities, products or sales or allocating territories, products or customers; bid-rigging and non-compete commitments.

For those cases which are relevant for the Group, Group Legal & Compliance will decide on the next steps – in most cases jointly with the Group Integrity Committee and the Regional coordinators. Any case to be escalated to Group Legal & Compliance has to be send to the Regional Compliance Officer as well to ensure involvement.

In the cases where an investigation is due, the time frame from starting the investigation till issuing the final report shall not exceed 30 days.

## **7. Meeting frequency and decisions for cases (whistleblowing, corruption or significant fraud)**

The Committee decides in meeting, or by way of written or telephone resolution, with the majority of the cast votes. Meetings can also be held via phone or videoconference. The necessary quorum for a resolution is given, if at least three members of the Committee from two different functions participate in the meeting or resolution.

Meetings can be convened and resolutions taken at any time without keeping within a formal procedure. Compliance chairs the Committee and prepares its meeting and resolutions. This includes the selection of such eligible members which shall form the Committee with respect to handling and assessment of a specific communication. Irrespective of meetings convened to decide on specific cases, the Committee will convene at least bi-annual at predetermined dates to consider the whistleblower communication received and determine appropriate follow-up activities.

For details on the whistleblowing process see the Allianz Guideline on Whistleblowing (Speak-up).

## **8. Case handling**

When the Committee has come to a conclusion on a case it shall make a report of its findings and the proposals resulting there from in the opinion of the Committee.

If the allegation of a whistleblowing communication proves to be unfounded, but the findings raise a general business issue, the Committees report may address such business issue.

## **9. Confidentiality & Document Retention**

All communication must be handled confidentially and may be disclosed only on a strict need-to-know basis. Without prejudice to the archiving of information on behalf of the Committee, Committee members, who have received information necessary for the handling and assessment of a communication, must not keep such information after a case has been resolved.

All information with respect to whistleblowing, corruption and fraud cases and their handling must be retained by the case owner unless the Committee determines otherwise. Local laws may apply additionally.

The Committee decisions, as well as agendas and meeting minutes must be maintained.

## **10. Miscellaneous**

- a) Secretary

The Committee shall have a Secretary appointed by the Head of Compliance.

The Secretary is responsible for the administration of meeting agendas and the preparation of meeting minutes.

b) Changes of Terms of References

Changes to these Terms of Reference may only be made by unanimous decision of all members.

## 11. References

- Allianz SF Code of Conduct for Business Ethics and Compliance (Code of Conduct)
- Allianz SF Minimum Standards on Anti-Corruption and Anti-Bribery
- Allianz SF Minimum Standards on Anti-Fraud
- Allianz SF Guideline on Internal Investigations
- Allianz SF Guideline on Whistleblowing

## XI. Cyber Security Committee (CSCo) Charter

### 1. Introduction

Allianz Saudi Fransi (AllianzSF) is an insurance organization head quartered in Riyadh. It is dependent on Information Technology and Cyber Security to provide its customers excellent services, protect customers' data, and improve the Cyber security posture to be compliant with SAMA CSF. Allianz Cyber Security Policy is the foundation of the Cyber Security program and provides direction to the organization towards achieving its Cyber Security objectives.

The AllianzSF Board of management is committed to establish, implement, operate, monitor, review, maintain and improve Cyber Security within the context of the organization's overall business objectives. AllianzSF has defined security policies, procedures and standards to protect the information assets used to run its business operations.

### 2. Character and objectives of the Cyber Security Committee Charter

The Cyber Security Committee Charter (in this document also referred as "CSCo" charter) is mandated to ensure that Cyber Security requirements set forth in Group Information Security Framework (GISF), as well as local legal and regulatory obligations are applied effectively and consistently.

"CSCo" charter's objective is to provide governance and oversight to programs, action plans, defined targets, and activities in regards of Cyber Security. It ensures a risk identification and acceptable level of mitigation pertaining to confidentiality, integrity, and availability of information resources, systems, digital assets, and information technology services maintained and operated within, or on behalf of, the organization.

The "CSCo" charter is responsible for making decisions on Cyber Security related topics in support of strategic and business decisions. The primary task of this internal committee is to regularly review Cyber Security strategy and its alignment with SAMA Cyber Security regulations and Allianz group security standard. The "CSCo" will also consider any Cyber security related item, which impacts the confidentiality, availability or integrity of Allianz SF information assets.

### **3. “CSCo” Charter Scope & Composition**

#### **a) Scope**

These Rules of Procedures apply to AllianzSF.

This document defines the minimum requirements with regards to the CSCo charter.

#### **b) Composition**

The members of the “CSCo” are nominated individuals representing the following functions:

- Chief Executive Officer CEO
- Chief Operation Officer COO
- Cyber Security Manager
- Head of Risk, if no Board member responsible for Cyber Security
- Business Continuity Manager
- Protection & Resilience Manager

Standing guests are:

- Head of Risk
- Regional ISO, where applicable
- IT Manager
- Chief Human Resources Officer CHRO
- Head of Compliance
- Head of Internal Audit (Observer)
- Head of relevant department will be invited as a guest upon request.

The Chairperson may invite additional guests to discuss specific topics, e.g. Information/Business Owners, General Counsel, Chief Financial Officer, Data Privacy Officer, and Project Management Office. These functions can be asked to join the “CSCo” on occasion or as standing guests.

## **A. Quorum, voting and escalation**

### **1. Quorum**

The “CSCo” shall form a quorum if all Members have been invited and more than half of them, including the Chairperson or a Member named by the Chairperson, participate in the meeting. Participation is also possible by video conference or telephone. Each member shall ensure its availability for the meetings, while deputizing is possible only with prior approval of the Chairperson. A deputy must be nominated and named in advance for the whole year.

### **2. Frequency**

Regular meetings of the “CSCo” shall be held quarterly. Extraordinary meeting may be called by the Chairperson. Each Member may also request the convening of a meeting and in doing so shall notify the topic to be deliberated together with such request.

### **3. Voting**

Voting can be requested by the Chairperson or any other “CSCo” Member. Resolutions are generally adopted during the meetings and shall be taken by simple majority of votes cast. In case of a tie, the Chairperson has a casting vote.

The “CSCo” shall pass its resolutions in meetings or by circulating procedure. Absent members shall be informed immediately of the resolutions adopted.

Standing Guests and guests invited for specific agenda items have no voting right.

### **4. Escalation**

Depending on the specific issue or decision, the following escalations are possible:

- Risk Committee
- Finance Committee
- Board of Management
- Group IT Committee (ITCo)

### **5. Reporting**

The “CSCo” reports directly to Chief Executive Officer

### **6. Organization**

The Chairperson of the “CSCo” shall be the Chief Information Security Officer.

Meeting of the “CSCo” shall be chaired by its Chairperson, or in his/her absence, by a Member so designed by the Chairperson.

The Chairperson determines the agenda and schedules of the meetings.

Meetings shall be called with a notice period of ten working days or, if a matter is of particular urgency, with a shorter notice period. An agenda of the meeting shall be distributed with the invitation as well as documentation necessary for resolutions to be taken in the meeting.

Minutes shall be taken during every meeting of “CSCo”, containing at least place and date of the meeting, the participants, the agenda and the wording of the resolutions.

The meeting minutes elements should be documented in the GRC.

If a resolution requires a report to be made or an approval to be given by the Board of Management, the Chairperson shall initiate the required process.

### **7. Responsibilities and Functions**

The “CSCo” is responsible for the implementation strategy of the Cyber Security program within the organization, ensuring the alignment and compliance with SAMA Framework, Allianz Business Strategy, Allianz Information Security Framework and any applicable regulations. It must ensure that appropriate Information Security measures are implemented based on the value of the information and the risk to the business if security is compromised.

The “CSCo” serves as an internal committee that reports to the Chief Executive Officer and perform the below tasks under the supervision of the Cyber Security Manager/ Assistant Manager. The responsibilities of “CSCo” include, but are not limited to:

- Enforce implementation of the minimum requirements defined in SAMA Framework, and Allianz Information Security Framework in the organization.
- Provide the direction, oversee and steer the information security initiatives
- Decide upon and ensure allocation of sufficient budget and resources for information security initiatives
- Provide the direction and monitor the regular cyber security risk assessments, as well as risk assessments of significant changes to the business processes and the supporting technical infrastructure.
- Provide the direction and monitor results of the regular independent cyber security audits, reviews and assessments.
- Communicate and escalate the relevant cyber security topics.
- Ensure definition of the annual Cyber Security project portfolio and budget planning
- Reviewing the cyber security strategy to ensure that it supports the Organization objectives;
- Approving, communicating, supporting and monitoring cyber security governance, strategy, policy, programs, risk management processes, KRIs and KPIs.
- Oversight emerging risk on company information assets.
- Support cyber security to overcome non-compliance issues
- Review and advice on the adequacy of security initiatives to serve business functions.
- Ratify goals for Allianz SF wide cyber security program.
- Communicate and facilitate Cyber security needs and best practices between Allianz SF departments.
- Help Cyber Security to approve and implement cyber security policy.

#### **8. Approval and updating of Rules of Procedure**

The Chairperson is responsible for maintaining and proposing the updates to the Rules in alignment with responsible Board Member for Cyber Security. The Rules will be reviewed by Chairperson at minimum annually. When updates to the Rules are necessary, the Chairperson will also take responsibility for coordination with the relevant units within the organization and among “CSCo” members.

#### **9. General Rules for the Minutes**

The Committee Minutes have to be prepared and distributed within 1 week from the date of the meeting. The minutes have to highlight the following categories of information:

- Cyber risk identified and controls proposal.
- Timeframe for each control to be introduced
- Action items that people need to follow.
- Decisions reached.
- Open issues.

## Annex A: Standard Agenda

### a) Past Events:

- Status update on findings and issues identified during SAMA review, Peer reviews, audits and other cyber security assessments
- Post-incidents analyses and lessons learned for high and critical information and security incidents

### b) Cyber Security Maturity:

- Cyber Security compliance level to the GISF
- Overview of Cyber Security investments (plan vs. actual)
- Review of IT Security Standards implementation status

### c) Cyber Security Risk Exposure:

- Overview of the identified cyber security risks
- Review of open cyber security risks identified by internal audits, security peer reviews and deficiencies identified during security controls testing
- Overview of cyber security risk acceptances and mitigation actions
- Management of IT toxic components

### d) Threat level:

- Incidents and Events registered by Allianz Cyber Defense Center or coming from other sources
- Other relevant external key events

### e) Local Cyber security action plan:

- Progress on current actions, review completed actions
- Impediments for implementation of IS actions
- Effectiveness of local actions on GISF non compliances

### f) Cyber Security projects and budgets:

- Common understanding on priority of future Cyber Security projects
- Track progress of running projects
- Sufficient budget within the Planning Dialogue for next year's Cyber Security projects

# Sharia'a Committee

## I. Committee Introduction

- a) The Committee shall be called: (the Shariah Committee of Allianz Saudi Fransi Cooperative Insurance Company). For purposes of this charter, it shall be referred to hereinafter as the (Shariah Committee).
- b) The Shariah Committee aims to verify compliance with the provisions of the virtuous Islamic Shariah to all the transactions referred to it from the Bank, and to provide advice and guidance thereto in order to achieve the purposes of the precepts of Shariah law.

## II. Charter Purpose

- a) The Shariah Committee fluently follow the company's business, reviewing products, contracts, forms, agreements and Takaful forms, etc., and issue decisions comply with shariah provisions, in addition to the tasks of Shariah control to assure the company's commitment to the decisions of the Shariah board and to ensure their implementation properly, submitting their annual report to the Board of Directors of the company, which shows the Shariah performance of the company during the year

## III. Composition and Requirements:

- a) Shariah Committee members shall be selected from the body of clerics and scholars acclaimed for their in-depth knowledge of Shariah, integrity, familiarity and command of jurisprudence of transactions in the insurance sector
- b) The Shariah Committee shall be formed by a decision of the Board of Directors.
- c) The Shariah Committee shall enjoy the status of an independent body in its particular area of competence from all departments of the Bank, and shall technically and administratively report to AzSF CEO.

## IV. Committee Introduction

- a) The Committee shall be called: (the Shariah Committee of Allianz Saudi Fransi Cooperative Insurance Company). For purposes of this charter, it shall be referred to hereinafter as the (Shariah Committee).
- b) The Shariah Committee aims to verify compliance with the provisions of the virtuous Islamic Shariah to all the transactions referred to it from the Bank, and to provide advice and guidance thereto in order to achieve the purposes of the precepts of Shariah law.

## V. Charter Purpose

- a) The Shariah Committee fluently follow the company's business, reviewing products, contracts, forms, agreements and Takaful forms, etc., and issue decisions comply with shariah provisions, in addition to the tasks of Shariah control to assure the company's commitment to the decisions of the Shariah board and to ensure their implementation properly, submitting their annual report to the Board of Directors of the company, which shows the Shariah performance of the company during the year

## VI. Composition and Requirements:

- a) Shariah Committee members shall be selected from the body of clerics and scholars acclaimed for their in-depth knowledge of Shariah, integrity, familiarity and command of jurisprudence of transactions in the insurance sector
- b) The Shariah Committee shall be formed by a decision of the Board of Directors.
- c) The Shariah Committee shall enjoy the status of an independent body in its particular area of competence from all departments of the Bank, and shall technically and administratively report to AzSF CEO.

## VII. Members:

- a) The Shariah Committee shall consist by the Sharia'a Advisor

- b) Membership in the Shariah Committee shall terminate in one of the following cases:
- Completion of the term in office of the Shariah Committee.
  - Resignation, disability or death of a Committee member.
  - By a decision of the Board of Directors.
  - Absence from three consecutive meetings without a legitimate excuse.
- c) Chairman and Secretary: The Shariah Committee Advisor is the Chairman of the Committee.
- d) The Secretariat of the Committee will be: Recommended by AZSF CEO and Approved by the Shariah Committee, who shall be entrusted with the following functions and tasks
- Prepare agenda for activities and meetings of the Shariah Committee.
  - Provide members with the agenda of meetings, relevant studies and documents and the like within a deadline prior to the stated date of the meeting;
  - Prepare and follow up minutes of meetings for ratification by the Shariah Committee;
  - Receive all questions, inquiries and correspondence from AZSF Team to be presented to the Shariah Committee.
  - Supervision and follow-up of the tasks of Sharia Control and implementation plans.

**The Main tasks of the company Shariah committee is as follows:**

- a) Explains the Shariah provisions on all transactions of the company and its products in the field of insurance, and reinsurance, and investment, and issuing Shariah where needed
- b) Verification of the company's commitment to the decisions of the Shariah committee and to ensure their implementation properly.
- c) The Shariah Board shall submit annual report to the Board of Directors shows Shariah performance of the company, and must recite this report in the regular meetings of the General Assembly.

**The main areas covered by the Shariah Control of the company:**

- a) The Insurance coverage
- b) The Insurance Products
- c) The Insurance claims.
- d) The Reinsurance contracts
- e) The Company's investments

**Meeting Frequency**

Minimum twice a year or upon need and request of the Company.

# Grievance Policy and Procedure

## I. INTRODUCTION

Allianz Saudi Fransi Cooperative Insurance Company, "Allianz SF" considers unresolved grievance may be potential risk for legal cases against the company reputation and relation with Ministry of HR & Social Development as well as the regulatory body of SAMA. A Grievance policy and procedure is necessary to eliminate the possibility of any detrimental effects arising out of unresolved grievance. This Grievance Policy aims to ensure that all communication channels are open and receptive, and that all potential plaintiffs have an adequate opportunity for their grievance to be reviewed and resolved by the Grievance committee.

## II. SCOPE OF APPLICATION

The Policy shall apply to all employees of the Allianz Saudi Fransi Cooperative Insurance Co.

## III. PURPOSE OF APPLICATION

The purpose of this policy is to give guidance and to provide a framework to deal with potential grievance effectively, and at the earliest possible stage to address the potential cases in constructive and fair manners.

## IV. GRIVANCE POLICY

The objects and purpose of Grievance policy will only be achieved if it functions effectively and is properly utilized. In light of the above, ASF is committed to ensuring that:

- Grievance committee review potential cases without prejudice or abuse.
- Grievances are dealt with high confidential manners.

ASF is accepting this policy gives commitment to the following:

- The resolution of all grievances timeously.
- Recognizing the employee's right by the CHRO or the Head of Risk or Legal and Governance manager
- Ensuring that the management handles grievances with the Legal & Human Resources departments acting in an advisory capacity.
- Working on improving the work environment consistently to prevent employees' Grievances.
- Ensure that each step of the procedure shall be subject to ASF time limits, unless otherwise determined by the Grievance Committee members through mutual /majority agreement.

## **V. GRIVANCE PROCEDURE:**

### **a) Identification and Preliminary Investigation:**

Grievance Committee Chairperson must be informed with the potential and/or lodged grievance through the Grievance Application form.

All Grievances may be lodged with the directed supervisor, or HR Personnel.

The Head of HR/CHRO along with the Head of Legal & Governance must consider the nature and type of the grievance and based on this assessment make a decision as to the best grievance resolution procedure to follow. The mild grievance can be dealt with via the informal investigation route, however, a serious grievance and sensitive grievance that is high potential risk requires a formal hearing. (See guidelines on definitions of mild, serious and sensitive grievances). The appropriate procedure to follow are discussed below.

### **b) The Informal Grievance Investigation**

The aggrieved employees' supervisor/ manager must ensure the Grievance Application has been correctly completed and the Grievance is clearly documented.

The supervisor/manager must then discuss the grievance and proposed conflict resolution with the Head of HR/CRO if it's a potential labor case or Head of the control function if it's a regulatory potential case. The decision on the conflict resolution if any, must be detailed on the Grievance application form.

The aggrieved employer / employee representative must sign the Grievance Application form.

If the employee is dissatisfied with the decision a Grievance Committee meeting shall be conducted within **5 (five) working days** to review the outcome received and provide a recommendation to the top management (HR and Control) If the employee is satisfied with the decision, resolution must be implemented and recorded on the form.

### **c) THE FORMAL GRIVANCE MEETING:**

Upon receiving a formal grievance form from an employee a meeting shall be held.

A Chairperson that should be appointed by the CEO, represents the Human Resources or the Legal & Corporate Governance must be arranges to conduct the grievance meeting.

The employee must be notified of the grievance committee decision in writing (see 4.2)

Ensure the aggrieved employee/s receive such notification **at least 2 (two) working days** before the Grievance Hearing so as to allow sufficient time to prepare.

### **d) The Grievance Hearing: phase 1**

The Chairperson must advise the Grievance Committee members of the purpose of the meeting. And discuss what motivate the case from both sides.

The meeting may be adjourned at this stage if necessary.

### **e) Finding on the facts:**

The Chairman must make a finding on a balance of probabilities on the validity of grievance. If the grievance is found to be invalid, the findings must be recorded in writing and signed by the aggrieved employee or in other cases his/her supervisor.

If the grievance is found to be valid, the Grievance meeting: phase 2 needs to be conducted.

### **f) The Grievance Meeting: Phase2**

The Chairperson must present the finding on the validity of the grievance and permit responses and discussion as to the feasibility of such suggestions be entertained.

**g) Conflict Resolution / Corrective Action**

The chairperson must decide up on majority voting of the Grievances Committee members on the most effective and viable corrective action and advise HR department of the concerned Supervisor/department in writing of the decision made on the outcome of Grievance Committee meeting.

The chairperson must ensure that such resolution/corrective action is implemented and that progress is documented. The employee must also be advised of decision along with the needful justification/evidence within 5(five) working days of receiving the outcome if he/she is dissatisfied.

Minutes of meeting should be officially submitted to assure that the grievance case was officially resolved

## Company's Products

Allianz Saudi Fransi provides comprehensive insurance services to corporate and individual customers. With the General line of business (Property and Casualty insurance), Allianz Saudi Fransi embraces the entire spectrum of risk management supported by a diversified range of insurance products for corporate and individual customers. With the Protection, Savings and Health insurances, Company plays a leading role in the field of Employee Benefits schemes as well as in retail with Health, Retirement and Education savings plans.

#	Product Name	Category	الرقم التعريفي Product ID	التصنيف	اسم المنتج
1	Public Liability	General	A-AZSF-1-C-12-002	عام	تأمين المسؤولية العامة
2	Contractors All Risks	General	A-AZSF-1-C-08-003	عام	تأمين جميع أخطار المقاولين
3	Money	General	A-AZSF-1-C-10-004	عام	تأمين النقود
4	Contractors Plant & Machinery	General	A-AZSF-1-C-08-005	عام	التأمين على مباتي ومعدات المقاول
5	Credit Insurance	General	A-AZSF-1-C-16-006	عام	التأمين ضد مخاطر الائتمان التجاري
6	Directors & Officers Liability	General	A-AZSF-1-C-16-007	عام	تأمين مسؤولية المدراء والمسؤولين
7	Erections All Risks	General	A-AZSF-1-C-08-008	عام	تأمين جميع أخطار التركيب
8	Electronic Equipment	General	A-AZSF-1-C-08-009	عام	تأمين المعدات الالكترونية
9	Fidelity Guarantee	General	A-AZSF-1-C-08-010	عام	تأمين خيانة الأمانة
10	Fire & Allied Perils	General	A-AZSF-1-C-16-011	عام	تأمين الحريق والأخطار المتعلقة
11	House Occupants Comprehensive	General	A-AZSF-1-B-10-012	عام	التأمين الشامل للمنازل
12	Marine Cargo voyage	General	A-AZSF-1-C-16-013	عام	تأمين الشحن البحري
13	Marine Open Cover	General	A-AZSF-1-C-16-014	عام	التأمين المفتوح على شحنات الرحلات البحرية
14	Property All Risks	General	A-AZSF-1-C-16-015	عام	تأمين الممتلكات لجميع المخاطر
15	Public & Products Liability	General	A-AZSF-1-C-12-016	عام	تأمين المسؤولية العامة والمنتجات
16	Sabotage Terrorism Riot Strike and Civil Commotion	General	A-AZSF-1-C-16-017	عام	تأمين مخاطر التخريب والإرهاب والإضراب وأعمال الشغب والإضراب المدني
17	Workmen Compensation	General	A-AZSF-1-C-11-018	عام	تأمين حوادث العمال
18	Boiler, Pressure & Vessel	General	A-AZSF-1-C-08-019	عام	تأمين المراجل وخزانات الضغط
19	Credit Insurance - Corporate Advantage	General	A-AZSF-1-C-18-020	عام	تأمين ضد مخاطر الائتمان التجاري - المميز للشركات
20	Machinery Breakdown Insurance	General	A-AZSF-1-C-08-021	عام	تأمين أعطال الآلات
21	Motor comprehensive	General	A-AZSF-1-B-15-022	عام	التأمين الشامل للمركبات
22	Motor TPL	General	A-AZSF-1-B-15-023	عام	تأمين مسؤولية الطرف الثالث للمركبات
23	Travel	General	A-AZSF-1-B-16-024	عام	تأمين السفر
24	Group Personal Accident	General	A-AZSF-1-C-16-038	عام	الحوادث الشخصية الجماعية
25	BBB bankers blanket bond and Electronic Computer Crime	General	A-AZSF-1-C-12-040	عام	التأمين الشامل للبنوك والجرائم الالكترونية
26	Personal Accident	General	A-AZSF-1-I-16-041	عام	تأمين الحوادث الشخصية
27	Appliance and device protection (Contractual liability) insurance	General	F-AZSF-1-C-21-050	عام	تأمين حماية الأجهزة الإلكترونية (المسؤولية التعاقدية)
28	Engineers Professional Indemnity Insurance	General	A-AZSF-1-C-20-042	عام	تأمين المسؤولية المهنية للمهندسين
29	Miscellaneous Professional Indemnity Insurance	General	A-AZSF-1-C-20-043	عام	تأمين المسؤولية المهنية المتنوعة
30	Construction Professional Indemnity Insurance	General	A-AZSF-1-C-20-044	عام	تأمين المسؤولية المهنية في مجال الإنشاءات
31	Technology Telecommunications Professional Indemnity Insurance	General	A-AZSF-1-C-20-045	عام	تأمين المسؤولية المهنية في مجال التكنولوجيا والاتصالات
32	Clinical Trials Liability Insurance	General	A-AZSF-1-C-20-046	عام	تأمين المسؤولية لتجارب السريرية
33	Medical expenses insurance	Medical	A-AZSF-2-B-13-025	صحي	التأمين الطبي
34	Medical SME	Medical	A-AZSF-2-C-17-026	صحي	التأمين الطبي - للشركات الصغيرة والمتوسطة
35	Al Anjal - Bancca	Protection & Saving	A-AZSF-3-I-09-027	حماية وادخار	الانجال - من منتجات التأمين البنكي
36	Al Ghad - Bancca	Protection & Saving	A-AZSF-3-I-09-028	حماية وادخار	الغد - من منتجات التأمين البنكي
37	Takaful Al Anjal- Bancca	Protection & Saving	A-AZSF-3-I-09-029	حماية وادخار	تكافل الانجال - من منتجات التأمين البنكي
38	Takaful Al Ghad- Bancca	Protection & Saving	A-AZSF-3-I-09-030	حماية وادخار	تكافل الغد - من منتجات التأمين البنكي
39	Waad Al Ajyal Gold	Protection & Saving	A-AZSF-3-I-11-031	حماية وادخار	وعد الأجيال الذهبي
40	Waad Al Isteqrar Gold	Protection & Saving	A-AZSF-3-I-11-032	حماية وادخار	وعد الاستقرار الذهبي
41	Waad Al Ajyal	Protection & Saving	A-AZSF-3-I-09-033	حماية وادخار	وعد الأجيال
42	Waad Al Isteqrar	Protection & Saving	A-AZSF-3-I-09-034	حماية وادخار	وعد الاستقرار
43	Group Retirement BSF	Protection & Saving	A-AZSF-3-C-10-035	حماية وادخار	التقاعد للمجموعات- البنك السعودي الفرنسي
44	Waad Al Ousra	Protection & Saving	A-AZSF-3-I-09-036	حماية وادخار	وعد الأسرة
45	Waad Al Ousra Gold	Protection & Saving	A-AZSF-3-I-11-037	حماية وادخار	وعد الأسرة الذهبي
46	Group Life	Protection & Saving	A-AZSF-3-C-09-039	حماية وادخار	تأمين الحماية والإدخار للمجموعات
47	DATA PROTECTION INSURANCE	General	F-AZSF-1-C-21-051	عام	تأمين حماية الأعمال والبيانات الرقمية
48	Visit Visa insurance (CCHI product)	Medical		صحي	تأمين تأثيرة الزيارة (منتج من مجلس الضمان الصحي)
49	Tourist visa insurance (CCHI product)	Medical		صحي	تأمين تأثيرة السياحة (منتج من مجلس الضمان الصحي)
50	Comprehensive Crime Insurance				التأمين ضد جميع الجرائم

## K. Authority Limits

### I. Chairman Authorities

The Chairman has been granted the following powers by the directors through a Power of Attorney to represent the Company in its relationship with others and before judicial bodies, Government departments, Public Notaries, Courts, the Committee for the Settlement of Negotiable Instruments Disputes, the Committee for the Resolution of Securities Disputes, Boards of Arbitration, Civil Rights Divisions, Police Departments, Chambers of Commerce and Industry, private commissions; to raise, defend, plead, settle, acknowledge, arbitrate, accept and reject judgments on behalf of the Company; to accept and release pledges in favor of the Company; to issue powers of attorney and to appoint and remove agents and attorneys; and to sign articles of association of companies in which the Company shall participate, and to amend the same.

### II. Chief Executive Officer (CEO) Authorities

As defined in the BOD meeting No. 2 Dated 17th July 2007, adjusted on the October 25th 2011, December 17, 2018 and revised on April 10, 2019, the authorities and responsibilities of the CEO are as follows:

1. The General Management of the Company.
2. Signing jointly with one of his deputies (General Manager (Deputy CEO), the CFO or the COO) the insurance policies not exceeding certain limit (triple the limit of the reinsurance treaty capacity). In case of exceeding the fixed limit, the CEO should sign the insurance policies jointly with one of his deputies plus the concerned department manager.
3. Signing jointly with one of his deputies cheques not exceeding the amount of SAR 10,000,000 and jointly with one of the members of the Executive Committee when the amount of the cheque is more than SAR 10,000,000.
4. Signing jointly with one of his deputies and with no limit the operations of transfer between the Company's bank and investment accounts (including opening and closing operation bank accounts, and any bank-related transaction).
5. Operating jointly with one of his deputies the financial and investment operations not exceeding the amount of SAR 5,000,000.
6. Executing the Board's and Executive Committee's decisions.
7. Delegating any of his authorities to any other employee of the Company within the authority limits fixed by the Board or the Executive Committee.
8. Signing jointly with one of his deputies all documents and papers related to administrative and jurisdictional matters.
9. Signing jointly with one of his deputies without any amount limitation, all the Company's contracts, and delegating this authority to whom he sees fit from the Company's employees, subject to the prior approval of the Board or the Executive Committee.
10. Signing the Company's Financial Statements with the CFO.
11. Risk Related Responsibilities are:
  - a) Establishing and implementing the risk management framework including the Market Risk (Interest Rate Risk, Equity Risk, Property Risk, Currency Risk, Spread Risk and Liquidity Risk), the Counterparty default Risk (Reinsurance, Concentration, Other counterparties and Credit Risk), the Non-Life Underwriting Risk (Pricing (General), Pricing (Health), Reserving (General), Reserving (Health), Non-Life catastrophe and Lapse), the Life Underwriting Risk (Mortality, Longevity, Morbidity & Disability, Lapse, Expense and Catastrophe), the Strategic Risk (Business, Market, Country and Reputational), the Operational Risk (Internal fraud, external fraud, HR, Physical Damage, Cyber-attack, System Failure, Data Quality and Process management), the - Actuarial outputs Risks (Reserving, Underwriting non-life, Underwriting Life, Reinsurance and Solvency), the Oversight Risk (Senior Management, Risk Management, Compliance, Audit, Operational management), the Conduct of Business Risk (Product development, Product promotion disclosure

& sales, Claims, Complaints and Privacy protection) and the Regulatory & AML Risk (Regulatory, AML);

- b) Setting up the right tone of the top with respect to risk management and compliance as well as its importance regarding to the achievement of the objectives of the company;
- c) Overseeing the risk technology implementation and dashboard automation;

12. Investment Related Responsibilities (along with the Top Management) are:

- a) Implement the investment policy and its Operational policies and procedures for implementing the overall investment policy established by the investment committee and approved by the Board of Directors;
- b) Propose the investment strategy and certain investment activities to the Investment Committee based on the information provided by the Finance / Investment Department;
- c) Monitor and assess the investment position on a daily basis.
- d) Monitor and assess the exposure to risks associated with the company's achievements;
- e) Make investment recommendations to the board investment committee;
- f) Provide the Investment committee and Board of Directors with a regular report describing the investment performance , risks associated with assets;
- g) Monitor the solvency ratio and the liquidity ratio to ensure proper matching between assets and liabilities;
- h) Ensure that asset allocation is in line with SAMA requirements and the investment policy terms;
- i) Monitor and assess the external asset manager performance;
- j) Design and operate an adequate reporting and internal control systems that enable them to manage and monitor investment effectively;
- k) The top management should ensure that all individuals conducting, monitoring and controlling investment activities are suitably qualified and have appropriate levels of knowledge and experience;
- l) At least once per year, senior management should review the adequacy of its written operational procedures and allocated resources in the light of the insurance Company's activities and market conditions;
- m) After obtaining the proper approvals, acquire and dispose investment according to the approved investment policy

Other signature authorities above the CEO's authority:

- 1. For the operations exceeding the authority of the CEO and his deputies, the Authority of signature shall be given jointly to the CEO and one of the Executive Committee members.
- 2. In the absence of the CEO:
  - a) Within the CEO Authorities: the authority of signature on behalf of the Company shall be delegated jointly to a Board member and either the General Manager (Deputy CEO), the CFO, or the COO.
  - b) Above the CEO Authorities: the authority of signature on behalf of the Company shall be delegated jointly to a Board member and either two of the General Manager (Deputy CEO), the CFO, or the COO.

## Annex A

### Board of Directors, Committees and Top Management as of 16/09/2022

The following new Board of Directors, with its 3 year mandate ending on 7th of August 2025, was elected during the General Assembly Meeting on 7th of August 2022 for the new mandate for 3 years starting from 8th of August 2022 to 7th of August 2025:

\*Five members representing Allianz Group:

- (1) Mr. Alwaleed Al Dryaan
- (2) Mr. Anuj Agarwal
- (3) Mr. Patrick Thiels
- (4) Mr. Adel Mallawi
- (5) Mr. Amine Benabbou

\*One Member representing Banque Saudi Fransi in:

- (1) Mr. Bader AlSalloom

\*Three members representing the public

- (1) Dr. Abdullah Al Hussaini
- (2) Mr. Basel Bin Jabr
- (3) Mr. Osama AlSabeg

Board of Directors Secretary

- (1) Legal & Governance Manager

Members of the Board shall always be informed of the course of business and act in good faith; with due diligence; in compliance with the applicable laws and regulations; and in the best interest of the Company's shareholders, policyholders, and other Stakeholders.

Members of the Board shall perform their duties free from any external influence, whether from within or outside the Company. Members of the committee shall not allow their own personal interest, or the interest of the parties they represent, to come before, or in conflict with, that of the Company, its shareholders, and other Stakeholders.

Members of the Board are prohibited from disclosing to shareholders or the public any confidential information obtained as they perform their role, other than in the general assembly, and must not use such information for their own benefit and personal gain.

Name	Number of shares owned by the BOD members or their direct family members in AZSF	Board Member in other Listed company in KSA	Representing	Members Classification
Alwaleed Al Dryaan	3000	Alkhaleej Training & Education Co. Al Enayah Medical Co. Saudi Telecom Co. Malaz Capital Co. Arabian Cement Co. Allianz SaudiFransi	Allianz Group	Chairman Non-Executive
Bader Alsalloom	NIL	Chairman of risk committee – Banque Saudi Fransi Executive Committee Member – BSF Head of Corporate and Corporate Banking Group - BSF	Banque Saudi Fransi	Vice Chairman Non-Executive
Anuj Agarwal	NIL	NIL	Allianz Group	Executive
Abdullah Al-Hussaini	3000	– Saudi Advanced Industries Co. Deutsch Gulf Finance Co. Saudi Company For Automotive Services and Equipment Albaptain Power and Telecommunication Alkhaleej training and education Allianz Saudi Fransi Saudi Fransi Capital	Public	Independent
Patrick Thiels	NIL	- Allianz Benelux	Allianz Group	Non-Executive
Adel Mallawi	NIL	Allianz Saudi Fransi Saudi Fransi Capital Saudi Telecom Systems Company Saudi Networkers for Services Tamweel Aloula	Allianz Group	Non-Executive
Basel Bin Jabr	NIL	Taiba Investment Co. Tayseer Finance Co. Tech Investment Co. Mallaz Capital Arch Capital Food Basics Co. Riyadh Capital	Public	Independent
Osama AlSabeg	NIL	National Finance Co. Saudi Networkers For Services Bayader Al Aryaf Telecom Saudi Telecom Company	Public	Independent
Amine Benabbou	NIL	NIL	Allianz Group	Non-Executive

## Board Members' Qualifications

<b>Name:</b>	<b>Alwaleed Al Dryaan</b>
Nationality:	Saudi
Position:	CEO & Board Member   Al Khaleej Training & Education Company
Education:	B.S. & M.S. Electrical Engineering   University of Wisconsin, USA.
Short Biography:	Alwaleed has over 20 years of experience in the training and education business. He holds M.S. and B.S. degrees in Electrical Engineering from University of Wisconsin, USA. He is currently CEO of Al Khaleej Training & Education which has over 80 training centers and owns a number of international master franchise rights in the Middle East such as New Horizons Computer Learning Centers, Direct English, Crestcom, Online Trading Academy, etc. He holds a board seat in numerous training companies in Saudi Arabia, Gulf States and USA. Alwaleed is also a member of Young Presidents Organization (YPO), National Training Committee and the Human Resource Committee in Chamber of Commerce , Saudi Arabia.

<b>Name:</b>	<b>Bader Alsalloom</b>
Nationality:	Saudi
Position:	CEO - Banque Saudi Fransi
Education:	B.S. Finance   King Fahad University of Petroleum and Minerals
Short Biography:	Currently Mr.Bader is the respectable acting CEO of Banque Saudi Fransi, Having graduated from King Fahd University for Petroleum & Minerals Majoring in Finance and Economics. After successfully passing a number of exquisite development programs with SABB and HSBC , Mr.Bader has accumulated a career experience of 20+ years in the banking sector and has now begun a journey in being a Chairman and Member in multiple boards and committees starting the year 2022.

<b>Name:</b>	<b>Patrick Thiels</b>
Nationality:	Belgian
Position:	Regional CEO   AGCS SE
Education:	B.S Accounting & IT – S.I.V.E.H.O Antwerp Masters Insurance Management – EHSAL Brussels Masters HR Management – IPO Antwerpen
Short Biography:	Mr.Patrick Thiels Obtained his University degree in IT and Economics from the university of S.I.V.E.H.O. After that he obtained a post university degree in Insurance management from the university of E.H.S.A.L in Brussels. Patrick's ambition grew bigger as he obtained yet another post university in Human Resources Management from I.P.O – Antwerpen. Mr.Patrick has over 6 years of experience in the field of information technology and a combined 30+ years

of experience in Managing and Leadership whilst currently being the Regional CEO | AGCS SE and a member of the [non-executive Board Allianz Benelux](#).

<b>Name:</b>	<b>Abdullah Al-Hussaini</b>
Nationality:	Saudi
Position:	Dean of University Affairs and Member of University Board   Prince Sultan University
Education:	PhD of Philosophy in Accounting   University of Kent, UK
Short Biography:	Abdullah serves a number of high positions in Prince Sultan University as its Dean of Student Affairs, Member of the University Board plus memberships in other groups / committees such as General Assembly of Saudi Universities Sports Federation, Experts Database in General Manual of Research Scholarship at KACST, Prince Naif Chair for National Unity and Saudi Graduates from UK Universities while serving as Assistant Professor of Accounting & Financial Audit and Academic Supervisor. Abdullah's deep knowledge in Accounting is further enhanced by his experience in advisory services, financial accounting, and internal audit until he became a Financial Manager in the public sector. He is also member of Saudi Organization for Certified Public Accountants (SOCPA), Saudi Accounting Association (SAA) and GCC Accounting & Auditing Organization (GCCAAO). His personal interests are in education & training of accounting and auditing, reading & attending events of financial & economic topics as well as participating in social events and activities.

<b>Name:</b>	<b>Anuj Agarwal</b>
Nationality:	Indian
Position:	Board Member and CEO   Allianz Saudi Fransi
Education:	Bachelors of Electronics and Communications Engineering   Delhi University, India 1992  Masters in Management Studies   Bombay University, India 1995
Short Biography:	Prior to joining Allianz Saudi Fransi Cooperative Insurance Co., Anuj Agarwal has held several top positions since joining Allianz Group in 1997. He has worked as Mmber of the board and Regional CFO for Africa from 2017 till recently. He holds board member positions for Allianz companies in Kenya and Ghana. He was Managing Director & Chief Executive Officer for Bajaj Allianz Life in India from Sept 2013 to Dec 2016. He also worked as chief financial officer (CFO) for Allianz Egypt from 2009 and CFO for Allianz Indonesia in 2012.

<b>Name:</b>	<b>Amine Benabbou</b>
Nationality:	Moroccan
Position:	Head of Business Division H9 MENA and Africa – Allianz SE
Education:	Masters Degree in Industrial Engineering   INSA Lyon, France  Specialized Master in Financial Engineering   EM Lyon, France

Short Biography:	Amine currently heads Allianz SE Business Division for Africa and MENA, after joining the Allianz Group in 2016 as Business Division Country Manager for the MENA region. He started his career in 2008 in Investment Banking in France, before moving back to Morocco where he held several positions in Investment Banking and in Private Equity, most notably as Investment Director for a Moroccan state backed Investment Fund. He currently holds multiple assignments as Board Member of several Allianz entities in Africa and the Middle East.
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<b>Name:</b>	<b>Adel Mallawi</b>
Nationality:	Saudi
Position:	Board Member in Multiple Entities
Education:	B.S Chemistry – King Saud University
Short Biography:	<p>After working for several years as a systems engineer, Al-Munajjed became Head of Investment and Private Banking at Banque Saudi Fransi from 1988 to 1993. For the next 11 years, he served as vice president of Al-Munajem Group, and in 2006 he became chairman of the Saudi-French Business Council. He became chairman of SHUAA Capital in 2012, leaving the financial services provider in 2015.</p> <p>He currently serves the Chairman of the Saudi-Indian Business Council since 2014, President of Cercle de La Legion D'Honneur et de l'ONN, and Board Member at Tanmiah Food Group.</p>

<b>Name:</b>	<b>Basel Bin Jabr</b>
Nationality:	Saudi
Position:	Board Member Multiple Entities
Education:	Masters in Business Administration   University of Detroit, USA
Short Biography:	<p>Basel currently serves at the Boards of YPO, Tech Invest Com, Jarir Bookstore and Taiba Investments.</p> <p>He previous works as CEO of MASIC, a Riyadh-based Family Office responsible for managing all investments in different asset classes covering local, regional and international markets from 2007 to 2010. Previously from 2002 to 2008, he was President of Interactive Saudi Arabia Ltd., an economic offset program company that provides total IT solutions for government sectors. He started his career at the Ministry of Commerce &amp; Industry where he served as Secretary General for E-Commerce National Task Force and Deputy Director General of International Organizations Department.</p>

<b>Name:</b>	<b>Osama AISabeg</b>
Nationality:	Saudi
Position:	Board Member Multiple Entities
Education:	B.S Electrical Engineering - King Fahad University of Petroleum and Minerals

Short Biography:	Mr. Osama obtained his Bachelor degree in Electrical Engineering in from King Fahd University of Petroleum and Minerals, Dhahran 1995. Osama also obtained a Degree from Harvard Business School after completing the OBM Entrepreneurship Program and multiple career enhancing degrees. Osama has Experience of more than 23 years in the field of technology, communications, consulting services and contracting and More than 15 years of experience as a contributing member of the boards of directors. Mr .Osama retired after a successful 20 year period as the respective CEO of SAT Systems CJSC.
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**The Executive Committee members are as follows:**

Names	Assignment
Amine Benabbou	Chairman of the Executive Committee
Alwaleed AlDryaan	Member
Bader Alsalloom	Member
Anuj Agarwal	Member

**The Audit Committee members are as follows:**

Names	Assignment
Basel Bin Jabr	Chairman of the Audit Committee
Mohammad Helmi	Member
Dr. Abdullah Al-Hussaini	Member
Mostafa Abdullatif	Member

**Permanent Guests**

AZSF Head of Compliance  
AZSF Head of Internal Audit

**The Investment Committee members are as follows:**

Names	Assignment
Adel Mallawi	Chairman of IC
Basel Bin Jabr	Member
Anuj Agarwal	Member

**The Nomination & Remuneration Committee members are as follows:**

Names	Assignment
Dr. Abdullah Al-Hussaini	Chairman of NRC
Adel Mallawi	Member
Osama Alsabeg	Member
Patrick Thiels	Member

**Permanent Guests**

AZSF Chief Executive Officer

**The Risk Committee members are as follows:**

<b>Names</b>	<b>Assignment</b>
Patrick Theils	Chairman of Risk Committee
Amine Benabbou	Member
Osama AISabeg	Member
<b>Permanent Guests</b>	
AZSF Head of Risk	
AZSF Chief Finance Officer	

## Annex A

### Top Management

The senior executives of the Company with effect are as follows:

<b>Names</b>	<b>Positions</b>	<b>Year of Birth</b>	<b>Highest Degree</b>
Anuj Agarwal	Chief Executive Officer	1971	Masters in Management Studies
Hani Albukhaitan	Chief Finance Officer	1981	Masters of Accountancy
Turki Al Shahrani	Chief Operating Officer	1983	Masters Insurance and Risk Management
Mohammed Zeidan	Chief Actuarial Officer	1985	Bachelor of Actuarial Science
Abdullah Al Qubayli	Chief Sales and Marketing Officer	1979	Master of Business Administration

## Annex B Bank Signature Authority Limits

Jointly	Executive committee members	CEO	DCEO	CFO	COO	CHRO	CAO	Finance Manager	Financial Operation Manager
Executive committee members		Unlimited	Unlimited	Unlimited	SAR 10,000,000	SAR 10,000,000	SAR 10,000,000		
CEO	Unlimited		SAR 50,000,000	SAR 25,000,000	SAR 25,000,000	SAR 25,000,000	SAR 25,000,000	SAR 10,000,000	SAR 100,000
DCEO	Unlimited	SAR 50,000,000		SAR 25,000,000	SAR 25,000,000	SAR 25,000,000	SAR 25,000,000	SAR 10,000,000	SAR 100,000
CFO	Unlimited	SAR 25,000,000	SAR 25,000,000		SAR 25,000,000	SAR 25,000,000	SAR 25,000,000	SAR 10,000,000	SAR 100,000
COO	SAR 10,000,000	SAR 25,000,000	SAR 25,000,000	SAR 25,000,000		SAR 25,000,000	SAR 25,000,000	SAR 10,000,000	SAR 100,000
CHRO	SAR 10,000,000	SAR 25,000,000	SAR 25,000,000	SAR 25,000,000	SAR 25,000,000		SAR 25,000,000	SAR 10,000,000	SAR 100,000
CAO	SAR 10,000,000	SAR 25,000,000	SAR 25,000,000	SAR 25,000,000	SAR 25,000,000	SAR 25,000,000		SAR 10,000,000	SAR 100,000
Finance Manager		SAR 10,000,000	SAR 10,000,000	SAR 10,000,000	SAR 10,000,000	SAR 10,000,000	SAR 10,000,000		SAR 100,000
Financial Operation Manager		SAR 100,000	SAR 1,000,000	SAR 100,000	SAR 100,000	SAR 100,000	SAR 100,000	SAR 100,000	

**Chairman**

Alwaleed AlDryan

**CEO**

Anuj Agarwal

## Annex C Technical Authority Limits: BCC Non-Life

Underwriting Authority Limits		Version: 090418
Department: BCC / Non-Life	U/W, Offers, Policy Issuance, Renewals, Endorsements & all related correspondences.	

Currency: Saudi Riyals

Line of Business	Businesses with No Facultative Placement				Businesses with Facultative Placement	
	Joint Signatures of: 1st UW & 2nd UW	Joint Signatures of: two 2nd UWs	Joint Signatures of: 2nd UW & BCCM or SUS or COO or DCEO	Joint Signatures of: 2nd UW or BCCM & SUS or COO or DCEO	Joint Signatures of: BCCM or SUS or COO & JS or RM or Head of Risk or DCEO	Joint Signatures of: BCCM or SUS or COO & JS or RM or Head of Risk or DCEO & CEO
<b>Fire &amp; Allied Perils including Prop. All Risk</b>	30,500,000	61,000,000	156,000,000	208,000,000	> 208M & ≤ 624M	> 624M
<b>General Accident</b>						
Fidelity Guarantee - aop	540,000	1,800,000	2,700,000	3,600,000	> 3.6M & ≤ 10.8M	> 10.8 M
Money - CIT & CIS & GIT- aoo	1,155,000	3,850,000	5,775,000	7,700,000	> 7.7M & ≤ 23.1M	> 23.1 M
Personal Accident - aop						
Burglary - aoo	385,000	1,540,000	5,775,000	7,700,000	> 7.7M & ≤ 23.1M	> 23.1 M
ARPE - aoo						
PG - aoo	1,925,000	3,850,000	5,775,000	7,700,000	> 7.7M & ≤ 23.1M	> 23.1 M
	300,000	600,000	900,000	1,200,000	> 1.2M & ≤ 3.6M	> 3.6 M
	540,000	1,800,000	2,700,000	3,600,000	> 3.6M & ≤ 10.8M	> 10.8 M
<b>GTPL excl. Product Liability &amp; Professional Indemnity</b>	0	0	15,000,000	20,000,000	> 20M & ≤ 60M	> 60 M
<b>GTPL incl. Product Liability &amp; Professional Indemnity</b>						
Indemnity	-	-	3,750,000	5,000,000	> 5M & ≤ 15M	> 15 M
<b>WCA and Employers Liability</b>	1,000,000	5,000,000	15,000,000	20,000,000	> 20M & ≤ 60M	> 60 M
<b>Credit</b>	-	-	-	-	Up to 50 M	> 50 M
<b>BBB</b>	-	-	-	-	Up to 50 M	> 50 M
<b>Engineering</b>						
CAR & EAR	-	61,000,000	156,000,000	208,000,000	> 208M & ≤ 624M	> 624M
CPM; CPE; BPVE;LVVEE & MB	-	40,000,000	108,000,000	144,000,000	> 144M & ≤ 432M	> 432M
<b>Marine Including Open Cover</b>	4,800,000	9,600,000	36,750,000	49,000,000	> 49M & ≤ 147M	> 147 M

**N.B.**

1. The above limits are based on 1st class risk category and will be scaled down as per the table of retention per risk classification.
2. The above limits are based on total sum at risk by location and not on PML basis
3. General Accident : Burglary, Plate Glass, Fidelity, Cash in Safe, in Transit, Goods in Transit, All Risk Personal Effect(ARPE)
4. Engineering or Technical Risks : CAR , EAR , EEI , MBK , Boiler Ins., CPM, CPE & DOS
5. It will be necessary to respect the grid of authority mentioned above for all kind of correspondences, non-technical endorsements & any temporary facultative placements.
6. Conditions & Exclusions of the various treaties are always applicable on the limits mentioned above.
7. Accepted business is not allowed & Co-Insurance Businesses: according to Underwriting Guideline.
8. Any LOB that doesn't appear in the above grid should be referred to Product Approval Committee.
9. Any LOB that will be placed under the company's retention should be referred to COO or DCEO or the CEO.
10. Application of PML is always subject to approval and signature of SUS, COO or DCEO or the CEO.
11. For Marine BA presigned policies up to half the treaty limit are under development and a single signature of the CBA Senior Underwriter, COO, DCEO or CEO is accepted.

Authorized Persons are detailed as follows:

**1st UW: Underwriters, Senior Underwriters & Assistant Underwriting Managers**

**2nd UW: Underwriting Managers**

**BCCM: BCC Manager**

**RM: Reinsurance Manager**

**FM: Finance Manager**

**AM: Actuarial Manager (also Facultative Reinsurance Manager)**

**SUS: Senior Underwriting Specialist**

**COO: Chief Operations Officer**

**CFO: Chief Financial Officer**

**DCEO: Deputy Chief Executive Officer**

**CEO: Chief Executive Officer**

## Annex D Technical Authority Limits: BCI Life

Underwriting Authority Limits		Version: 090418
Department: BCI / Life	U/W, Offers, Policy, Renewals, Ends. & all related correspondences.	

Currency: Saudi Riyals

Line Of Business	Businesses with No Facultative Placement			Businesses with Facultative Placement	
	Joint Signature of: Two 2nd UWs	Joint Signature of: 2nd UW & BCIAM or BCIM	Joint Signature of: BCIAM or BCIM & SUS or COO or DCEO	Joint Signature of: BCIM or SUS or COO & JS or RM or CRO or DCEO	Joint Signature of: BCIM or SUS or COO & JS or RM or CRO or DCEO & CEO
<u>Life, Accident, Passive War &amp; Disability Insurance:</u> Up to a Maximum per Person:	200,000	500,000(*)	4,500,000	> 4.5M & ≤ 13.5M	> 13.5M
Term Life, Retirement & Education Products	NIL	375,000	4,500,000	> 4.5M & ≤ 13.5M	> 13.5M
Bancassurance Life Products	NIL	375,000	4,500,000	> 4.5M & ≤ 13.5M	> 13.5M

### N.B.

- necessary to respect the grid of authority mentioned above for all kind of correspondences, non-technical & any facultative placements.
1. endorsements . Conditions & Exclusions of the various treaties are always applicable on the limits mentioned above.
  - 2 . Accepted & Co-Insurance Businesses are not allowed under the existing treaties.
  - 3 . Any LOB that doesn't appear in the above grid should be referred to Product Approval Committee.
  - 4 .
  5. Any LOB that will be placed under the company's retention should be referred to COO or DCEO or the CEO.

### Authorized Persons are detailed as follows:

(\*): Underwriting cases above 500,000 SAR or above the Free Cover limit should be approved by BCI Manager.

2nd UW: Senior Underwriter  
 BCIAM: BCI Assistant Manager  
 BCIM: BCI Manager  
 RM: Reinsurance Manager  
 SUS: Senior Underwriting Specialist  
 COO: Chief Operations Officer  
 CRO: Chief Risk Officer  
 CFO: Chief Financial Officer  
 DCEO: Deputy Chief Executive Officer  
 CEO: Chief Executive Officer

# Annex E Technical Authority Limits: BCI Non-Life

<b>Underwriting Authority Limits</b>		<i>Version: 090418</i>
Department: BCI / Non Life	U/W, Offers, Policy Issuance, Renewals, Endorsements & all related correspondences.	

Currency: Saudi Riyals

Line Of Business	Businesses with No Facultative Placement				Businesses with Facultative Placement	
	Joint Signature of : Two 1st UWs	Joint Signature of : Two 2nd UWs	Joint Signature of : 2nd UW & BCIAM or BCIM	Joint Signature of: BCIAM or BCIM & SUS or COO or DCEO	Joint Signature of: BCIM or SUS or COO & SUS or RM or CRO or DCEO	Joint Signature of: BCIM or SUS or COO & SUS or RM or CRO or DCEO & CEO
<b>General Accident</b>						
Personal Accident - aop	385,000	770,000	1,925,000	7,700,000	> 7.7M & ≤ 23.1M	> 23.1 M
<b>Motor Fleet:</b>						
# of Vehicles:	250	500	1,000	5,000	> 5000 & ≤ 15000	> 15000
Own Damage - ao vehicle	100,000	250,000	500,000	1,000,000	> 1M & ≤ 3M	> 3 M
TPL / Material Damage - aoo	5,000,000	5,000,000	5,000,000	20,000,000	> 20M & ≤ 60M	> 60 M
TPL / Bodily Injury - aoo						
<b>Fire &amp; Allied Perils including Property All Risk (Household Insurance )</b>	2,625,000	3,675,000	5,250,000	>5.25M & ≤208M	> 208M & ≤ 624M	> 624 M
<b>Travel Insurance:</b>	Conventional Mondial Assistance Terms & Conditions					Outside Conventional Mondial Assistance Terms & Conditions

**N.B.**

- The above limits are based on 1st class risk category and will be scaled down as per the table of retention per risk classification.
- The above limits are based on total sum at risk by location and not on PML basis
- General Accident : Burglary, Plate Glass, Fidelity, Cash in Safe, in Transit, Goods in Transit, All Risk Personal Effect (ARPE)
- Engineering or Technical Risks : CAR , EAR , EEI , MBK , Boiler Ins., CPM, CPE & DOS
- It will be necessary to respect the grid of authority mentioned above for all kind of correspondences, non-technical endorsements & any temporary facultative placements.
- Conditions & Exclusions of the various treaties are always applicable on the limits mentioned above.
- Accepted business is not allowed & Co-Insurance Businesses: Up to a maximum of 50% of the treaty limit.
- Any LOB that doesn't appear in the above grid should be referred to Product Approval Committee.
- Any LOB that will be placed under the company's retention should be referred to COO or DCEO or the CEO.
- Application of PML is always subject to approval and signature of SUS, COO or DCEO or the CEO.
- For presigned policies under the agreed limits, a single scanned signature of the COO, DCEO or CEO is accepted.

Authorized Persons are detailed as follows:

- 2nd UW: Senior Underwriters
- BCIAM: BCI Assistant Manager
- BCIM: BCI Manager
- RM: Reinsurance Manager
- SUS: Senior Underwriting Specialist
- COO: Chief Operations Officer
- CRO: Chief Risk Officer
- CFO: Chief Financial Officer
- DCEO: Deputy Chief Executive Officer
- CEO: Chief Executive Officer

1st UW:  
Underwriters

## Annex F Technical Authority Limits: BCEB Group Life

Underwriting Authority Limits	Version: 090418
Department: BCEB / Group Life & Retirement	U/W, Offers, Policy, Renewals, Ends. & all related correspondences.

Currency: Saudi Riyals

Line Of Business	Businesses with No Facultative Placement			Businesses with Facultative Placement	
	Joint Signature of: Two 2nd UWs	Joint Signature of: 2nd UWs & BCEBUW or BCEBM	Joint Signature of: BCEBUW or BCEBM & SUS or COO or DCEO	Joint Signature of: BCEBM or SUS or COO & JS or RM or CRO or DCEO	Joint Signature of: BCEBM or SUS or COO & JS or RM or CRO or DCEO & CEO
<b>Group Size:</b>	up to 499	500 to 999	1,000 to 1,999	2,000 to 2,999	≥ 3,000
<b>Group Retirement:</b> Up to a Maximum per Person:	0	500,000(*)	4,500,000	> 4.5M & ≤ 13.5M	> 13.5M

### N.B.

1. necessary to respect the grid of authority mentioned above for all kind of correspondences, non-endorsements technical & any facultative placements.
2. Conditions & Exclusions of the various treaties are always applicable on the limits mentioned above.
3. Accepted & Co-Insurance Businesses are not allowed under the existing treaties.
4. Any LOB that doesn't appear in the above grid should be referred to Product Approval Committee.
5. Any LOB that will be placed under the company's retention should be referred to COO or DCEO or the CEO.

### Authorized Persons are detailed as follows:

(\*): Underwriting cases above 500,000 SAR or above the Free Cover limit should be approved by BCEB Manager.

2nd UW:	Senior Underwriter
BCEBUW:	BCEB Underwriting Manager
BCEBM:	BCEB Manager
RM:	Reinsurance Manager
SUS:	Senior Underwriting Specialist
COO:	Chief Operations Officer
CRO:	Chief Risk Officer
CFO:	Chief Financial Officer
DCEO:	Deputy Chief Executive Officer
CEO:	Chief Executive Officer

## Annex G Technical Authority Limits: BCEB

Underwriting Authority Limits		Version: 090418
Department: BCEB / Medical	U/W, Offers, Policy, Renewals, Ends. & all related correspondences.	

Currency: Saudi Riyals

Line Of Business	Businesses with No Facultative Placement			Businesses with Facultative Placement	
	Joint Signature of: Two 2nd U/Ws	Joint Signature of: 2nd U/W & BCEBUW	Joint Signature of: BCEBUW or BCEBM & SUS or COO or DCEO	Joint Signature of: BCEBM or SUS or COO & JS or RM or CRO or DCEO	Joint Signature of: BCEBM or SUS or COO & JS or RM or CRO or DCEO & CEO
<b>Group Size:</b>	up to 499	500 to 999	1,000 to 1,999	2,000 to 2,999	≥ 3,000
<b>In-Hospital Insurance:</b> Up to a Maximum per Person within one Group:	CCHI Terms	CCHI Terms	CCHI Terms	CCHI Terms	> CCHI Terms
<b>Out Of Hospital Insurance:</b> Up to a Maximum per Person within one Group:	CCHI Terms	CCHI Terms	CCHI Terms	CCHI Terms	> CCHI Terms

<b>N.B.</b>	<p>necessary to respect the grid of authority mentioned above for all kind of correspondences, non-technical &amp; any facultative placements.</p> <p>1. &amp; Exclusions of the various treaties are always applicable on the limits mentioned above.</p> <p>2. endorsements &amp; Co-Insurance Businesses are not allowed under the existing treaties.</p> <p>3. Conditions Any LOB that doesn't appear in the above grid should be referred to Product Approval Committee.</p> <p>4. Accepted</p> <p>5. For Medical businesses, Internal procedures as well as CCHI rules and regulations should always be respected.</p> <p>6. Any LOB that will be placed under the company's retention should be referred to COO or DCEO or the CEO.</p>
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Authorized Persons are detailed as follows:

**2nd UW: Underwriting Managers**  
**BCEBUW: BCEB Underwriting Manager**  
**BCEBM: BCEB Manager**  
**RM: Actuarial Manager (also Facultative Reinsurance Manager)**  
**COO: Chief Operations Officer**  
**SUS: Senior Underwriting Specialist**  
**CRO: Chief Risk Officer**  
**CFO: Chief Financial Officer**  
**DCEO: Deputy Chief Executive Officer**  
**CEO: Chief Executive Officer**

## Annex H Technical Authority Limits: BCL – Non-Motor

Non Motor Claims Settlement Authority Limits (NMS) Version: 171217

Currency: Saudi Riyals

Line Of Business	Joint Signature of: CS & CM / HC	Joint Signature of: CS / CM & HC / COO	Joint Signature of: CM / HC & COO / DCEO / CFO	Joint Signature of: CM / HC & COO / CFO / DCEO & CEO
<u>File &amp; Amend Petis</u>	200,000	500,000	1,000,000	> 1,000,000
<u>General Accident</u>	200,000	500,000		
Fidelity Guarantee - aop	200,000	500,000	1,000,000	> 1,000,000
Money - CIT & CIS & GIT- aop	200,000	500,000	1,000,000	> 1,000,000
Personal Accident - aop	200,000	500,000	1,000,000	> 1,000,000
Burglary - aop	200,000	500,000	1,000,000	> 1,000,000
PG & ARPE - aop	200,000	500,000	1,000,000	> 1,000,000
<u>GTPL excl. Product &amp; Professional Liability</u>	200,000	500,000	1,000,000	> 1,000,000
<u>GTPL incl. Product Liability &amp; Professional Indemnity</u>	200,000	500,000	1,000,000	> 1,000,000
<u>WCA and Employers Liability</u>	200,000	500,000	1,000,000	> 1,000,000
<u>BBB</u>	-	-	1,000,000	> 1,000,000
<u>Engineering</u>	200,000	500,000	1,000,000	> 1,000,000
<u>Marine Including Open Cover</u>	200,000	500,000	1,000,000	> 1,000,000
<u>Group Life</u>	200,000	500,000	1,000,000	> 1,000,000
<u>Group Medical</u>	200,000	500,000	1,000,000	> 1,000,000
<u>Group Retirement</u>	-	-	1,000,000	> 1,000,000
<u>Any Other line</u>	-	-	1,000,000	> 1,000,000
<u>(Ex-gratia)</u>	NIL	NIL	100,000	> 100,000

Authorized Persons are detailed as follows:

<b>CS:</b>	<b>Claims Supervisor</b>
<b>CM:</b>	<b>Claims Manager - Non Motor</b>
<b>HC:</b>	<b>Head of BCL</b>
<b>COO:</b>	<b>Chief Operations Officer</b>
<b>CFO:</b>	<b>Chief Financial Officer</b>
<b>DCEO:</b>	<b>Deputy Chief Executive Officer</b>
<b>CEO:</b>	<b>Chief Executive Officer</b>

## Annex I Technical Authority Limits: Risk & Reinsurance and Actuarial

Risk & Reinsurance and Actuarial Authority Limits	Version: 090418
Departments: a) Risk & Reinsurance & b) Actuarial	

	Signatories	Or in the absence of previous signatories	Or in the absence of previous signatories
<u>Treaty Arrangements</u>	CEO & R&RM		
<u>Actuarial &amp; Technical Reports</u>	CEO	CEO & CAO	DCEO & CAO
<u>Reinsurance Accounts</u>	CEO & R&RM	CEO & RM	DCEO & R&RM
<u>Facultative Slips</u>	R&RM & BC*M	AM & BC*M or R&RM & BC 2nd U/W	AM & 2x BC 2nd U/W

### Authorized Persons are detailed as follows:

**CEO:** Chief Executive Officer  
**DCEO:** Deputy Chief Executive Officer  
**CFO:** Chief Financial Officer  
**R&RM:** Reinsurance & Risk Manager  
**RM:** Reinsurance Manager ((Treaty RI) + CRO Life)  
**CAO** Chief Actuarial Officer  
**FM:** Finance Manager  
**BC\*M:** Business Center Manager (BCI, BCC or BCH)  
**BC 2nd U/W:** Business Center 2nd Underwriter / Underwriting Manager

## Annex J Technical Authority Limits: Complaints

Complaints Settlement Authority Limits

Version: 140617

Currency: Saudi Riyals

Line Of Business	Joint Signature of: CA & CS	Joint Signature of: CA/SCA & CCCM	Joint Signature of: CCCM & DCEO or CFO or CEO	Joint Signature of: CCCM & SSC & CEO
<b><u>Fire &amp; Allied Perils</u></b>	NIL	10,000	250,000	>250,000
<b><u>General Accident</u></b>				
Fidelity Guarantee - aop	NIL	10,000	250,000	>250,000
Money - CIT & CIS & GIT- aop	NIL	10,000	250,000	>250,000
Personal Accident - aop				
Burglary - aop PG & ARPE - aop	NIL	10,000	250,000	>250,000
	NIL	10,000	250,000	>250,000
	NIL	10,000	250,000	>250,000
<b><u>GTPL excl.</u> Product &amp; Professional Liability</b>	NIL	10,000	250,000	>250,000
<b><u>GTPL incl.</u> Product Liability &amp; Professional Indemnity</b>	NIL	10,000	250,000	>250,000
<b><u>WCA and Employers Liability</u></b>	NIL	10,000	250,000	>250,000
<b><u>Motor</u></b>				
Own Damage - ao vehicle				
TPL / Material Damage - aop TPL / Bodily Injury - aop	10,000	15,000	250,000	>250,000
	10,000	15,000	250,000	>250,000
	10,000	15,000	250,000	>250,000
<b><u>BBB</u></b>	NIL	10,000	250,000	>250,000
<b><u>Engineering</u></b>	NIL	10,000	250,000	>250,000
<b><u>Marine including Open Cover</u></b>	NIL	10,000	250,000	>250,000
<b><u>Group Life</u></b>	NIL	10,000	250,000	>250,000
<b><u>Group Medical</u></b>	NIL	10,000	250,000	>250,000
<b><u>Group Retirement</u></b>	NIL	10,000	250,000	>250,000
<b><u>Any Other line</u></b>	NIL	10,000	250,000	>250,000
<b><u>(Ex-gracia)</u></b>	NIL	10,000	<100,000	>100,000

Authorized Persons are detailed as follows:

CA: Complaint Administrator  
 SCA: Senior Complaint Administrator  
 CS: Complaint Supervisor  
 CCCM: Customer Care & Complaints Manager  
 CFO: Chief Financial Officer  
 DCEO: Deputy Chief Executive Officer  
 CEO: Chief Executive Officer  
 SSC: Any member of the Strategic Steering Committee

## Annex K: Technical Authority Limits: Regions

LINE OF BUSINESS	Businesses with No Facultative Placement		Businesses with AZRe Support	Businesses with FAC. Placement
	Joint Signatures of 1st or 2nd UW & Ops Mgt	Joint Signatures of 2nd UW & Ops Mgt	Head Office Authority Matrix	Head Office Authority Matrix
Fire and Allied Perils including Property All Risks (Any one occurrence)	Risk Cat 1: 25% up to SAR 52,500,000 Risk Cat 2: 20% up to SAR 42,000,000 Risk Cat 3: 12.5% up to SAR 26,250,000 Risk Cat 4: To be referred to Head Office	Risk Cat 1: 50% up to SAR 110,000,000 Risk Cat 2: 40% up to SAR 84,000,000 Risk Cat 3: 25% up to SAR 52,500,000 Risk Cat 4: To be referred to Head Office	To be referred to Head Office	To be referred to Head Office
General Accidents Fidelity (Any one occurrence)	25% up to SAR 5,000,000	50% up to SAR 10,000,000	-	To be referred to Head Office
Money (CIT & CIS & GIT) (Any one occurrence)	25% up to SAR 5,000,000	50% up to SAR 10,000,000	-	To be referred to Head Office
GTPL Excl Product liability (Any one occurrence)	25% up to SAR 5,000,000	50% up to SAR 10,000,000	To be referred to Head Office	To be referred to Head Office
GTPL including Product Liability (Any one occurrence)	25% up to SAR 5,000,000	50% up to SAR 10,000,000	To be referred to Head Office	To be referred to Head Office
WCA and Employers Liability	25% up to SAR 5,000,000	50% up to SAR 10,000,000	-	To be referred to Head Office
Engineering CAR & EAR (Any one occurrence)	Risk Cat 1: 25% up to SAR 52,500,000 Risk Cat 2: 20% up to SAR 42,000,000 Risk Cat 3: 12.5% up to SAR 26,250,000	Risk Cat 1: 50% up to SAR 110,000,000 Risk Cat 2: 40% up to SAR 84,000,000 Risk Cat 3: 25% up to SAR 52,500,000	To be referred to Head Office	To be referred to Head Office
CPM, CPE, BPI, MBD, EEI	25% up to SAR 37,500,000 Scaled down per LOB as per Gross XOL Bulletin	50% up to SAR 75,000,000 Scaled down per LOB as per Gross XOL Bulletin	To be referred to Head Office	To be referred to Head Office
Marine Including Open Cover (Any one shipment)	25% up to SAR 12,500,000	50% up to SAR 25,000,000	-	To be referred to Head Office
Directors' and Officer Liability	To be referred to Head Office	To be referred to Head Office	-	To be referred to Head Office
Professional liability	To be referred to Head Office	To be referred to Head Office	-	To be referred to Head Office

### N.B:

- 1- The limits above shall apply as follow:
  - a- For Fire and Allied Perils including Property All Risks: Greatest risk per fire account, subject to no known accumulation within the same fire account or any other fire account within the Company's portfolio.
  - b- For Cash in Transit: Maximum limit per carrying
  - c- For Cash in Safe: Maximum limit per safe
  - d- For Fidelity: Maximum limit any one employee
  - e- For CPM/BPI/EEI: Maximum sum insured any one location
  - f- For MBD: Total Sum Insured g- For Marine: Maximum Sum Insured any one shipment
- 2- Property: PAR, FAP, HHC
- 3- General Accident : MNY, PA, FDG, PLG, PEF
- 4- Engineering: CAR, EAR, CPM, EEQ, MB,BPP, CPM
- 5- Marine Cargo: TOC
- 6- Co-Insurance Businesses is strictly prohibited. Approval will only be granted by Head Office as see fit
- 7- No Usage of manuscript wordings or non-approved SAMA wording
- 8- No policies may be issued on first loss basis or agreed value unless authorized by the BCC Head.
- 9- Subject to strictly implement all Treaties' Terms and Conditions.
- 10- Subject to strictly implement all Allianz Group Guidelines.
- 11- Subject to strictly implement the internal Underwriting Guidelines. Any necessary divisions should be approved first by the Division Manager at the HO.
- 12- At the end of each month, the Regional Office sends by electronic transmission the following to the BCC department at Head Office:
  - o Policy Register summarizing all data regarding policies and endorsements issued during the month.
  - o Record for all Policy Schedules covering all aspects including statistical data.
  - o Record for all Endorsements specifying the changes effected on policies.

The BCC department will process the information of all policies and endorsements issued by Regional Office to obtain statistical data.  
The BCC department staff will run periodic checks on policies and endorsements to ensure consistency with the underwriting directives. The outcomes will be shared with the regional directors.
- 13- All policy processes and services (including but not limited to: issuance, endorsements, surveys, renewals...etc.) shall be conducted by the Regional office subject to the BCC approval where required.
- 14- As per our internal guidelines, a physical and electronic policy file should be maintained for each and every policy containing a copy of the policy, supporting documents, correspondences, RI slips...etc.
- 15- All quotes/submissions provided by the head office should be reviewed and signed by the Regional Directors. This is applicable only for the submissions which exceed the regional authority limit.
- 16- This Authority Matrix will be reviewed on quarterly basis and based on the assessment outcomes will see how to improve it for our company's benefit.

### Risks to be Referred to HO for Approval

For the following risks, Regional Offices do not have authority to approve the underwriting of such risks and they should refer these risks to the Division Manager at the HO:

- 1- Sums insured involved exceeding the limits mentioned in Table 1.
  - 2- Proponent requesting Line of Business not listed in Table 1.
  - 3- All TCL (Carrier Liability) policy request.
  - 4- Proponent requesting a non SAMA approved policy wording.
  - 5- Regional office to use the standard and acceptable methods for pricing risks and do not deviate due to a competitive situation.
- It is the Regional Office's responsibility to submit all risks contrary to the above to the Division Manager at the HO for review and approval.

6- No policies may be issued on first loss basis or agreed value unless authorized by the BCC Head.

7- Risks on PML and EML basis.

8- Contingent Business Interruption covers.

9- All discounts are subject to adequate rate.

### Authorized Persons are detailed as follows:

- 1st UW: : Underwriters, Senior Underwriters & Assistant Underwriting Managers  
 2nd UW: : Underwriting Managers  
 Ops Mgt : Operation Manager  
 WRO / ERO Director : Western & Eastern Region Director  
 Monitoring of Head Office  
 HBCC: : Head of Business Center Corporate  
 FM: : Facultative Manager  
 COO: : Chief Operations Officer  
 DCEO: : Deputy Chief Executive Officer  
 CEO: : Chief Executive Officer

### Signatures:

HBCC: Meshal Almazro  
Date: 13/9/2020

DCEO: Ayman Alfares  
Date:

ERO Director: Mohammed Almahyawi  
Date:

WRO Director Mohammed Younis  
Date:

Activate  
Go to S

## **Annex L: Appointed Actuary: Roles and Responsibilities**

### **1. Actuarial Function: Role and Responsibilities**

The Actuarial Function has to exist at all times. The set-up of this function takes local organizational structures and proportionality considerations and instructions prescribed in AWR into account.

The Actuarial Function shall be responsible for the actuarial work in oversight and controlling activities of the Company.

The Actuarial Function holder is responsible for the implementation of the regulator's and Actuarial Function principles and procedures and shall be empowered by local management to fulfill this task. This includes to promptly report to the Board of Directors, SAMA matters which potentially have material impact on the actuarial tasks undertaken. In case of conflict of interests, the Actuarial Function holder may refer a matter to the Board of Directors.

The Head of Actuarial Function shall liaise with the Board of Directors, Senior Management and the Company's internal and external auditors and direct the activities of the Actuarial Function, including providing oversight of the provision of training and professional development for the Actuarial Function. It shall ensure best practices exchange with the regional or global business line, Actuarial Function holder and the Group Chief Actuary. The Company has in place the Training and Development Policy for Professional Actuarial Certifications to support its Actuarial Employees develop and gain designation as a Qualified Actuary.

Requirements for the Actuarial Function:

1. The Actuarial Function should constitute of at least 3 Saudi actuaries
2. The Actuarial Function should constitute of at least 1 Qualified actuary
3. The Chief Actuarial Officer shall report directly to the Chief Executive Officer
4. The Company shall provide SAMA with an annual report on the Actuarial Function as prescribed in the AWR

### **2. Appointed Actuary: Role and Responsibilities**

For the purpose of providing unbiased and objective advice in accordance with AWR, the Appointed Actuary shall act in good faith, honestly and reasonably, exercise due care and diligence and independent judgement in the best interests of the Company and its policyholders, putting the interests of the Company and its policyholders ahead of any personal interests and avoiding conflicts of interest with the exercise of his responsibilities.

The Appointed Actuary shall:

1. Perform the work entrusted to them in accordance with actuarial principles and standards issued by the Actuarial Association of which they are a member and be accountable to that Actuarial Association as regards compliance with that Actuarial Association's professional standards as well as to SAMA as regards compliance with AWR and SAMA's Instructions.
2. Perform their duties with honesty, integrity and competence, avoiding conflicts of interest and providing unbiased and objective advice, and shall not conceal any facts relating to the Company's financial or technical position or knowingly provide incorrect information.
3. Not disclose the Company's confidential information, or information obtained during the performance of his work while he is fulfilling his responsibilities or after its completion except that this disclosure is to SAMA, or an application of relevant regulations or SAMA's Instructions.
4. Review and take responsibility for all work carried out on their behalf.
5. Keep records of their work subject to strict data confidentiality, organized according to their Actuarial Association's professional standards. The records shall include the copies of the documents that must

be provided to the Company and to SAMA, and the base data from which the documents have been derived and all supporting calculations.

6. Where the Appointed Actuary is not an employee of the Company, the records referred to in Item (5) above must be held within the Company and retained by the Company for at least ten years within the Company after the date of the report to which the records or documentation relates, and must be accessible only to the Appointed Actuary and his delegates, the Company and SAMA.
7. Perform Actuarial Services where competent and appropriately experienced to do so.
8. Ensure consistency of their work with applicable financial reporting standards in the Kingdom.
9. Advise on any other matters as instructed by the Board of Directors and Senior Management, provided that this does not conflict with his responsibilities as set out in AWR and SAMA's Instructions.
10. In addition, the Appointed Actuary shall undertake for Protection and Savings the following:
  - a. Perform a profit test of the adequacy of premium rates at the introduction of new products and whenever it is proposed that premium rates shall be revised, and advise on Technical Prices.
  - b. Advise on the terms and conditions of insurance policies, including the fairness of expenses charged and investment returns allocated to policyholders.
  - c. Determine and ensure the adequacy of insurance contract Assets and Liabilities including Mathematical Reserves, based on appropriate experience studies.
  - d. Advise on the determination of the allocation of surplus, profits or bonuses to the with-profits Protection and Savings insurance policyholders.
11. The Appointed Actuary shall have the right to access the board papers, accounting books and other records and documents, business plans, supporting analyses and schedules deemed necessary for the carrying out of their duties and be entitled to obtain from the Board of Directors and Senior Management of the Company the information and explanations the Appointed Actuary deems necessary, subject to appropriate controls to maintain the confidentiality of the Company's information by the Appointed Actuary, and all those who assist the Appointed Actuary in the discharge of his responsibilities.

## Annex N : Technical Authority Limits: Property & Casualties

*Currency: Saudi Riyals*

UP TP	Joint Signature of:CS /AM&CM / GLM	Joint Signature of:AM / CM & GLM	Joint Signature of:GLM / COO&CFO / DCEO / CEO	Joint Signature of:GLM &COO / DCEO / CFO &CEO	
		From 200,001 To 500,000	From 500,001 To 1,000,000	More Than 1,000,000	
200,000		500,000	1,000,000	> 1,000,000	<b>Fire &amp; Allied Perils</b>
200,000		500,000	1,000,000	> 1,000,000	<b>General Accident</b>
200,000		500,000	1,000,000	> 1,000,000	Fidelity Guarantee - aop
200,000		500,000	1,000,000	> 1,000,000	Money - CIT & CIS & GIT- aop
200,000		500,000	1,000,000	> 1,000,000	
200,000		500,000	1,000,000	> 1,000,000	
200,000		500,000	1,000,000	> 1,000,000	
200,000		500,000	1,000,000	> 1,000,000	<b>BBB</b>
200,000		500,000	1,000,000	> 1,000,000	<b>Engineering</b>
200,000		500,000	1,000,000	> 1,000,000	<b>Marine including</b>
					<b>Open Cover</b>
200,000		500,000	1,000,000	> 1,000,000	<b>Any Other line</b>
NIL		NIL	1,000,000	> 1,000,000	<b>(Ex-gracia)</b>
<b>CS:</b>					<b>Non Motor Claims Supervisor</b>
<b>AM:</b>					<b>Asst. Claims Manager - Non Motor</b>
<b>CM:</b>					<b>Claims Manager - Non Motor</b>
<b>GLM</b>					<b>General Lines Manager</b>
<b>COO:</b>					<b>Chief Operations Officer</b>
<b>CFO:</b>					<b>Chief Financial Officer</b>
<b>DCEO:</b>					<b>Deputy Chief Executive Officer</b>
<b>CEO:</b>					<b>Chief Executive Officer</b>
Chief Operations Officer		Chief Financial Officer		Chief Executive Officer	

## Document Information:

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