



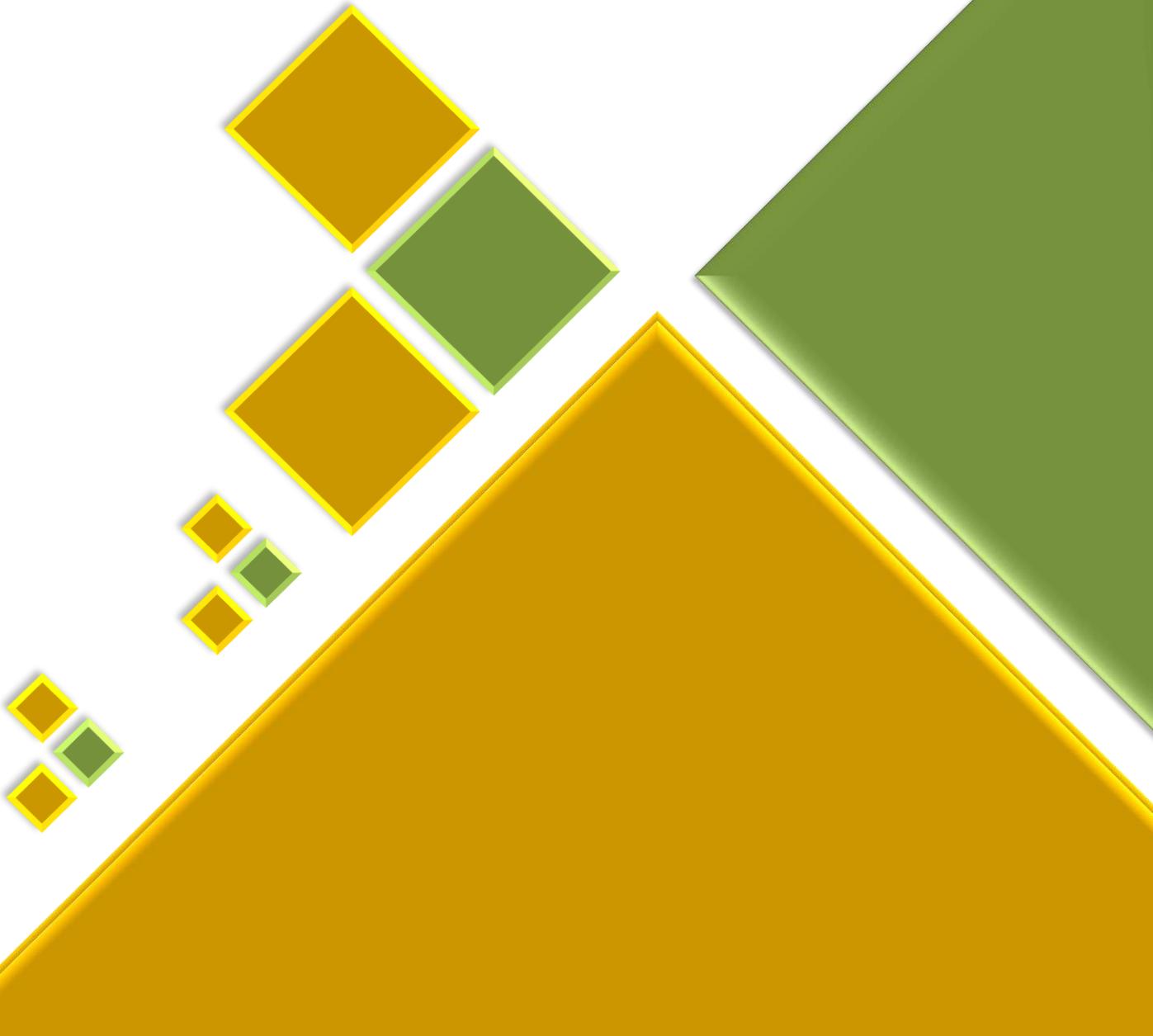
إتحاد الخليج الأهلية للتأمين التعاوني
GULF UNION AL AHLIA COOPERATIVE INSURANCE

Ordinary General Assembly Meeting

Gulf Union Al Ahlia Cooperative Insurance

Wednesday 10/12/2025 - 19/06/1447 H

07:00 PM - Through Modern Technology



Agenda – Ordinary General Assembly Meeting for Gulf Union Al Ahlia Cooperative Insurance

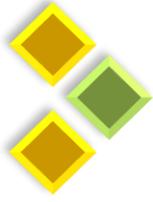
10/12/2025 - 07:00 PM – Through Modern Technology Means

1. Voting on the election of Board members from among the nominees for the upcoming term, which begins on 17-12-2025 and continuing for four years, ending on 16-12-2029 (CVs of the nominees are attached).
2. Voting on amending the Company's Corporate Governance regulation (Attached).
3. Voting on amending the Audit Committee Regulation and Charter (Attached).
4. Voting on amending the Executive Committee Regulation and Charter (Attached).
5. Voting on amending the Investment Committee Regulation and Charter (Attached).
6. Voting on amending the Risk Management Committee Regulation and Charter (Attached).
7. Voting on amending the Nomination and Remuneration Committee Regulation and Charter (Attached).



Agenda Item # 3

Voting on amending the Audit Committee Regulation and Charter (Attached).



Before

Amendments

Audit Committee Regulation and Charter



إتحاد الخليج الأهلية للتأمين التعاوني
GULF UNION AL AHLIA COOPERATIVE INSURANCE

Audit Committee Charter / Regulation

**Controls regulating the work of the Audit Committee,
The Role and Responsibilities of the committee, and the rules
and controls for its formation and selection of its members**

About the Company

Gulf Union Al Ahlia Cooperative Insurance Company is a Saudi public joint stock company whose license was approved by Ministerial Resolution No. (233) dated 16 Ramadan 1427 AH corresponding to October 9, 2006 AD and by Royal Decree No. (M/60) dated 9/18/1427 AH (corresponding to October 9, 2006 AD) October 11, 2006 AD (and was established by Ministerial Resolution No. 196/Q on 7/22/1428 corresponding to 05/08/2007)

The company obtained a license to practice insurance activity No. (TMN/09/20079), dated 29/08/1428 AH, issued by the Insurance Authority in the following branches (general insurance - medical insurance - protection and savings insurance)

The company is under the supervision and control of the Insurance Authority

Introduction

Gulf Union Al Ahlia Cooperative Insurance Company aims to establish the best Governance standards and practices and apply the company's corporate governance rules.

In compliance with the relevant laws, regulations and instructions, the company has established the Audit committee charter, which contains the controls regulating the work of the Audit committee, the role and responsibilities of the committee, the rules and controls for its formation, the selection of committee members, its meetings, and the rewards of its members in accordance with the relevant laws and regulations.

1- Purpose

The purpose of the Audit Committee (the “Committee”) of the Board of Directors (the “Board”) of GUAI Gulf Union Al Ahlia Cooperative Insurance Co. (the “Company”) is to assist the Board of Directors in fulfilling its oversight responsibilities with respect to:

- The Company's auditing, accounting and financial reporting processes generally.
- The Company's systems of internal controls regarding finance, accounting, legal compliance and ethical behaviour.
- The Company's financial statements and other financial information provided by the Company to its shareholders, the public and others.
- The Company's compliance with legal and regulatory requirements.
- The performance of the Company's internal audit department and external auditors.

Consistent with these functions, the Committee will encourage continuous improvement of, and foster adherence to, the Company's policies, procedures and practices at all levels. The Audit Committee shall be in charge of controlling the company businesses. For this purpose, the Audit Committee may access the company records and documents and may request any explanation or statement from the Board members or the Executive Management. The Committee may also ask the Board to invite the General Assembly of the company to meet if the Board prevents it from discharging its duties or if the company incurs gross damages or losses.

In performing its duties, the Committee will maintain effective working relationships with the Board of Directors, management, and the internal and external auditors. To perform his role effectively, each Committee member will obtain an understanding of the detailed responsibilities of Committee membership as well as the Company’s business, operations, and risks.

Although the Committee has the powers and responsibilities set forth in this charter, the role of the Committee is oversight. The members of the Committee are not full-time employees of the Company and

may or may not be accountants or auditors by profession and, in any event, do not serve in such capacity. However, one of its member should be specialised in finance and accounting. Consequently, it is not the duty of the Committee to conduct audits or to determine that the Company's financial statements and disclosures are complete and accurate and are in accordance with all applicable rules and regulations. These are the responsibilities of management and the external auditors.

2- Committee formation, Structure and selection of its members

Committee Formation

- The Audit Committee shall be formed by a decision of the Board of Directors after obtaining the Insurance Authority's non-objection
- The Audit Committee shall be composed of no less than three (3) and no more than five (5) members.
- The Audit Committee members should be independent and the majority of members shall be from outside of the Board. The committee should include at least one independent Board member and that no executive Board members may be part of the committee.

Members Appointment

- The Audit Committee shall be formed by a decision of the Board of Directors, The Audit Committee members should be independent and the majority of members shall be from outside of the Board. The committee should include at least one independent Board member, provided that obtaining Insurance Authority's prior no-objection on the nomination/appointment

Chairman Selection

- 1- The Audit Committee shall be formed by a decision of the Board of Directors, The company's board of directors appoint one of the audit committee members as its chairman, , provided that obtaining Insurance Authority's prior no-objection on the nomination/appointment of the Chairman of the committee
- 2- The Chairman of the Board shall not be a member or Chairman of the Audit Committee.
- 3- 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.
- 4- 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.

Rules for selecting committee members

There are a set of rules that the board of directors must take into account when selecting members of the Audit committee, and whoever is appointed as a member of the Audit committee is required to meet the following throughout the term of his membership in the committee:

- 1- The Audit Committee Member must be independent
- 2- Any person who works or has worked in the Company's finance Department, the Executive Management or for the Company's external auditor during the preceding two years may not be a member of the Audit Committee.
- 3- The Audit Committee members shall not include the Company's executives, employees, or consultants. The Audit Committee members shall not include board members, executives,

employees, consultants, representatives of any parties connected to the Company, including but not limited to:

- Major shareholders and founders.
 - External Auditors
 - Suppliers
 - The Company's Customers
 - 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.
- 4- An Audit Committee member shall not be a member of a Board or an Audit Committee of any other company operating in the insurance sector in the Kingdom of Saudi Arabia.
 - 5- No Audit Committee Member shall simultaneously serve on the audit committees of more than four (4) public companies.
 - 6- The member of the Audit Committee must have an appropriate academic qualification and knowledge of the nature of the company's business.
 - 7- That the member must have a good reputation and good conduct.
 - 8- To refrain from engaging in any activity that may be in conflict with the interest of the company, or in competition with its business, or that may harm his ability to carry out his duties and responsibilities objectively.
 - 9- To allocate an appropriate time to perform the tasks entrusted to him to perform as a member of the committee.
 - 10- The member should have the appropriate technical, financial or administrative expertise.

3- Membership term, mechanisms for appointing and relieving committee members, and vacant positions

- 1- The Board of Directors shall appoint the Audit Committee's Chairman and members for a three-year term. The Board of Directors may renew the term of the Audit Committee or a member thereof for another three-year term for one time only.
The Board of Directors may appoint new Audit Committee members in case of electing a new Board of Directors after obtaining Insurance Authority's written non-objection.
- 2- Insurance Authority is entitled to withdraw its non-objection of any member or members of the Audit Committee in case of any violation by any of them of the provisions of the Audit Committee Regulation in Insurance and/or Reinsurance Companies, the Supervision of Cooperative Insurance Companies Control Law and its Implementing Regulation and any relevant Regulations or Instructions, and take actions it deems appropriate against the Company and the persons concerned.
- 3- The Board of Directors, after obtaining Insurance Authority's written non-objection, may dismiss an Audit Committee member if he or she ceases to satisfy membership terms or violates the provisions of the Audit Committee Regulation in Insurance and/or Reinsurance Companies, the Supervision of Cooperative Insurance Companies Control Law and its Implementing Regulation or any relevant Regulations and Instructions.
- 4- An Audit Committee member has the right to resign, after providing the resignation request to the Board one month before its resignation becomes effective. The Company shall notify Insurance Authority's in writing of the resignation of a member of the Audit Committee and the reasons thereof and provide Insurance Authority with a copy of the resignation request within five (5) working days from the date of the resignation.
- 5- An Audit Committee member shall be deemed resigned if he or she fails to attend any meetings of the Audit Committee for more than three consecutive times without presenting an excuse acceptable to the Board.

- 6- The membership of an Audit Committee member shall terminate automatically upon the occurrence of any change that would breach the membership's terms set forth in the Audit Committee Regulation in Insurance and/or Reinsurance Companies or any other Regulations, Instructions or Decisions issued by Insurance Authority. 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.
- 7- The Board shall ensure that the members of the Audit Committee are appropriately qualified to discharge their responsibilities. At least two Audit Committee members, including the AC Chairman, have recent and relevant accounting or financial management expertise or experience.
- 8- If there is a vacant seat in the Audit Committee during the membership term, the Board, after obtaining Insurance Authority's written non-objection, shall appoint another member within a month of the vacancy date to fill the vacant position. The new member shall complete his or her predecessor's term. The appointment shall be presented to the company's ordinary general assembly at its first meeting.

4- Duties of a committee member

- 1- Regularly attending the committee's sessions and actively participating in its work
- 2- Preserving the company's secrets. A member of the committee may not disclose to the shareholders, other than in the general assembly, or to third parties, the company's secrets that came to his attention due to the performance of his work, otherwise he must change it, in addition to being held accountable for compensation for the damage that may result from that.
- 3- To exercise due diligence to carry out the work entrusted to him, and to keep abreast of recent developments related to the company's business.
- 4- To be characterized by justice and to display integrity, chastity, honesty, objectivity and independence when performing his work
- 5- To be free of personal interests, not to subject his judgment to the opinions of others, and not to disclose information that is not true.
- 6- The member shall not participate in any business or activities considered to be offensive to honor and honesty.
- 7- He shall not accept anything of significant value from an employee, affiliate, customer, supplier, or anyone who has a business relationship with the company that may lead to a weakness in the independence of the committee member in form and substance or affect or presumably affect his decisions.
- 8- To disclose to the Board of Directors the transactions that took place between him and the company and the nature of that relationship, as well as the relationship he has with the Board of Directors and the company's executive managers, in accordance with what is required by the code of conduct approved by the company.

5- Responsibilities of the Chairman of the Committee

The Chairman of the committee shall supervise the committee's achievement of all its tasks. The committee chairman shall have the following authorities:

- 1- Inviting the committee to convene and specifying the time, date and place of each committee meeting and the agenda, after coordination with the committee members.
- 2- Presiding over committee meetings.
- 3- Submitting the results and recommendations of the committee's work to the Board.

- 4- Preparing the committee's budget, its work plan, and its projects in the short and long term, in coordination with the committee's secretary, and presenting it to the committee in preparation for submitting it to the board of directors, after being approved by the committee.
- 5- When needed - Preparing periodic reports on the activities of the committee in coordination with the committee's secretary and presenting them to the committee in preparation for submission to the board of directors, after being approved by the committee. Copies of the committee's minutes are attached to these reports.
- 6- Representing the committee on the Board and in front of any other party that requires it.

6- Appointment of a secretary of the committee

- 1- The committee appoints a secretary from among the company's employees to undertake its administrative work, prepare minutes of its meetings, ensure that the committee chairman signs these minutes, and schedule committee meetings in coordination with its chairman.
- 2- The Insurance Authority's prior no-objection to the appointment of the committee Secretary should be obtained.
- 3- When choosing the committee secretary, it should be taken into account that he has the academic qualification and practical experience that enables him to carry out the tasks entrusted to him.
- 4- The secretary of the committee must document and keep the minutes of the committee's meetings in a special register for that.
- 5- The Secretary of the Audit Committee shall not be a Secretary of any other board committee.
- 6- The committee secretary must prepare a list of the committee's tasks and responsibilities and follow up on their implementation on a quarterly basis during the year with the committee chairman and members.

7- Committee Meetings

- The Audit Committee shall meet at least six times a year, include 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:
 1. Upon the request of the Chairman of the Board
 2. Cases in which the External Auditor, Internal Auditor, Compliance Officer or Actuary requests a Committee meeting due to reason that requires so.
 3. Meetings on other issues such as:
 - Financial and audit issues
 - Compliance issues
 - Conflicts of interest
 - Professional and ethical codes of conduct
- The Audit Committee meetings shall not be held without the presence of at least half of its members.
- The Committee should also convene if a triggered high priority risk was highlighted.
- Every meeting of the Committee should be followed by a report detailing the outcome of the meeting to the Board of Directors.
- The Committee resolutions shall be issued by majority of present votes. In case of equality, the Chairman shall have a casting vote.
- It is not allowed to vote on the decisions of the Audit Committee on behalf or by proxy of a member

- No member of the Board or the Executive Management except the Secretary or a member of the Committee may attend the meetings unless the Audit Committee requests the concerned person(s) opinion or advice.
- The Committee shall convene periodically with the Company's external auditor and internal auditor, and shall require members of management, the internal audit department, the external auditors and others to attend Committee meetings and provide pertinent information, as necessary.
- The committee may meet remotely via teleconferences or videoconferencing, and they may act through resolution agreed upon in writing.
- It is expected that regular reports will be received on matters to be defined by the Audit Committee but are likely to include:
 - External audit reports.
 - Internal audit reports.
 - Compliance audit reports.
 - Security and fraud reports.
- As part of its job to foster open communications, the Committee shall meet in separate executive sessions during each of its six regularly scheduled meetings with management, the internal audit manager and the Company's external auditors to discuss any matters that the Committee (or any of these groups) believes should be discussed privately.
- Any member may reserve any decision taken by the committee, provided that he states the reasons that led him to reserve. If any member leaves the committee meeting before its conclusion, his reservation, if any, is limited to the decisions related to the items he attended for discussion, provided that he states in the minutes the items he did not attend the discussion if he expresses his desire in writing.
- The committee secretary must record the opinions of all parties in the minutes of the meeting.

8- Documenting the minutes of the committee's meetings:

The minutes of the committee's meetings are documented as follows:

- 1- During the meeting, the Secretary of the Committee records the most important discussions and upon completion of the discussion of any topic, he summarizes the recommendations or decisions reached.
- 2- The Secretary of the Committee shall prepare for each of the Committee's meetings a draft minutes in which the date and place of the meeting, the names of those present and absent, a summary of the discussions and the texts of recommendations and decisions reached by the Committee shall be written and presented to the members of the Committee for approval.
- 3- The minutes of the meeting must be prepared and sent to the members within 15 days from the date of the meeting.
- 4- The signed copy of the minutes shall be kept in a special file and all documents related to the minutes shall be attached to it.

9- The Committee's plan and annual report to the Board of Directors and the Committee's evaluation

- 1- The committee shall prepare, before the beginning of each year, an annual plan that includes a timetable for the committee's meetings and a description of the work it will undertake during the year.
- 2- The committee must submit an annual report to the board of directors stating the number of committee meetings, the accomplished tasks assigned to the committee, what has not been accomplished, the reason for that, and the obstacles facing the committee in its work.
- 3- The audit committee must submit an annual report to the company's ordinary general assembly that includes the committee's opinion on the adequacy of the company's internal control system and the other work it has carried out within the scope of its competence.
- 4- The Board of Directors, through the Nominations and Remunerations Committee or with the assistance of an external evaluation body, conducts the annual evaluation of the Committee and the Chairman and members of the Committee.

10- Authority

In order to achieve its objectives, the Audit Committee shall have full and unrestricted access to all information, data, reports, records, correspondence or other matters which the Committee deems important, and full and unrestricted access to the Board, staff, legal advisers, external auditors, internal auditors and other internal or external parties that the Committee deems necessary. All officials, employees and other internal and external parties must respond to the queries and requests of the Audit Committee and provide it with documentation, data and information as necessary.

After getting Board Approval, The Audit Committee shall be entitled to obtain external professional, independent and legal advice and appoint other consultants to advise the Audit Committee as considered necessary, at the cost of the Company, and to determine their compensation.

The Board also authorizes the Audit Committee, within the scope of its responsibilities, to:

- Review the scope of the proposed audit to be performed and how effective the scope relates to the Company's special problem areas.
- Review the results of the audit with the external auditors, as well as discuss the financial statements.
- Review the adequacy of the internal financial and operational controls of the Company with both the staff performing internal auditing and the external auditors, and keep the Board informed of its findings.
- The Audit Committee shall consider the company financial statements, reports and remarks provided by the auditor and provide its remarks if any.
- Prepare a report on its opinion in the adequacy of the internal control system of the company and the works it has carried out within its functions.

11- Committee's Resources and Scope of Work

The Audit Committee shall have the authority to retain independent legal, accounting and other consultants to advise the Committee. The Committee may request any officer or employee of the Company or the Company's lawyers or external auditors to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee.

The Committee shall determine the extent of funding necessary for payment of compensation to the independent legal, accounting and other consultants retained to advise the Committee for the purpose of rendering or issuing the annual audit report.

In discharging its oversight role, the Committee is empowered to investigate any matter brought to its attention with full access to all books, records, facilities and personnel of the Company and the power to retain outside counsel, auditors or consultants, or incur other expenses for this purpose, which expenses the Company shall pay. The Committee may also meet with the Company's investment bankers or financial analysts who follow the Company. The Committee may require any officer or employee of the Company or any of its subsidiaries, the Company's outside legal counsel, and the Company's external auditors to meet with the Committee or any member of the Committee.

The Board of Directors shall take all necessary measures to ensure that the Committee performs its duties.

12- Responsibilities and Duties

To fulfil its responsibilities and duties, the Audit Committee shall:

With respect to the external auditors

- The company must have one or more external auditor to be appointed by the Ordinary General meeting, which shall set his remuneration and term and may reappoint him provided that The total term of office for the external auditor shall not exceed seven consecutive or non-consecutive financial years, and the Authority may, at its discretion, amend this term for any company or sector; such period shall be recalculated after the lapse of not less than three consecutive financial years froth end of the last financial year in which he worked on auditing of the Company's accounts. (And any instructions or updates issued by the regulatory authorities in this regard must be taken into account)
- The Assembly may also change the auditor at any time without prejudice to his right to indemnification if such change takes place at improper time or for illegal reason.
- The Audit Committee is responsible (including resolution of disagreements between management and the external auditors regarding financial reporting) for the purpose of preparing its audit report or related work.
- The Audit Committee responds to queries of the external auditors, supervises the activities of the external auditors and approves any activity beyond the scope of the audit work assigned to them during the performance of their duties, and shall provide recommendations to the Board to nominate external auditors, dismiss them, determine their remunerations, and assess their performance after verifying their independence and reviewing the scope of their work and the terms of their contracts.
- The Audit Committee shall review the external auditor's reports and its comments on the financial statements, and following up on the procedures taken, and shall also review and approve disclosures required to be included in financial statements in accordance with all regulatory requirements.
- The Audit Committee shall have the authority to review in advance and recommend to the Board:
 - All auditing services to be provided by the external auditors (final approvals of such services rests with the AGM).
 - All non-audit services to be provided by the external auditors.
 - Connection therewith to approve all fees and other terms of engagement.
- The Audit Committee shall review the performance of the Company's external auditors on at least an annual basis.
- On an annual basis, review and discuss with the external auditors all relationships the external auditors have with the Company in order to evaluate the external auditors' continued independence its objectivity, fairness, and effectiveness of the audit activities, taking into account the relevant rules and standards.

The Committee:

- Shall ensure that the external auditors submit to the Committee on an annual basis a written statement delineating all relationships and services that may impact the objectivity and independence of the external auditors.

- Shall discuss with the external auditors any disclosed relationship or services that may impact the objectivity and independence of the external auditors.
- Shall satisfy itself as to the external auditors' independence.
- At least annually, obtain and review an annual report from the external auditors describing:
 - The external auditors' internal quality control procedures.
 - Any material issues raised by the most recent internal quality control review, or peer review, of the external auditors, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more external audits carried out by the external auditors, and any steps taken to deal with any such issues.
 - Confirm that the Company's external auditors have not performed audit services for the Company for each of the five previous fiscal years.
 - Review, based upon the recommendation of the external auditors, the scope and plan of the work to be done by the external auditors for each fiscal year.
- A meeting shall be held at least once every quarter or as needed. Such meetings shall be held in private with the external auditors to discuss matters related to the financial statements and any other matters deemed important by the Audit Committee including:
 - That the services provided by external auditors be limited to those specified by the relevant regulations.
 - Problems or difficulties experienced by external auditors during their audit work.
 - Any restrictions on the scope of work of external auditors so as to ensure full and unrestricted access to all entities, individuals and information that external auditors consider essential, including the Company personnel, accounting records, documents and related documents.
 - Issues of contention between management and external auditors and /or internal audit.
 - Coordination of efforts between external auditors and internal auditors

With respect to financial statements

- Review and discuss with management, the internal audit department and the external auditors the Company's quarterly financial statements (including disclosures made in "Management's Activity Report" and the external auditors' review of the quarterly financial statements) prior to submission to shareholders, any governmental body, any stock exchange or the public.
- Review and discuss with management, the internal audit department and the external auditors the Company's annual audited financial statements (including disclosures made in "Management's Activity Report").
- Periodically review separately with each of management, the external auditors and the internal audit department:
 - Any significant disagreement between management and the external auditors or the internal audit department in connection with the preparation of the financial statements.
 - Any difficulties encountered during the course of the audit (including any restrictions on the scope of work or access to required information).
 - Management's response to each of the previous.
- The duties of the Audit Committee shall particularly include the following:
 - The Audit Committee shall analyse the Company's interim and annual financial statements before presenting them to the Board and providing its opinion and recommendations thereon to ensure their integrity, fairness and transparency.
 - Provide its technical opinion, at the request of the Board, regarding whether the Board's report and the Company's financial statements are fair, balanced, understandable, and contain information that allows shareholders and investors to assess the Company's financial position, performance, business model, and strategy.
 - Analyse any important or non-familiar issues contained in the financial reports.
 - Investigating any issues raised by the Company's chief financial officer or any person assuming his/her duties or the Company's compliance officer or external auditor.
 - Examining the accounting estimates in respect of significant matters that are contained in the financial reports.

- Examining the accounting policies followed by the Company and providing its opinion and recommendations to the Board thereon.
- Periodically discuss with the external auditors:
 - Without management being present, their judgments about the quality, appropriateness, and acceptability of the Company's accounting principles and financial disclosure practices, as applied in its financial reporting.
 - The completeness and accuracy of the Company's financial statements.
 - Consider and approve, if appropriate, significant changes to the Company's accounting principles and financial disclosure practices as suggested by the external auditors, management or the internal audit department.
 - Review with the external auditors, management and the internal audit department, at appropriate intervals, the extent to which any changes or improvements in accounting or financial practices, as approved by the Committee, have been implemented.
 - Review with management, the external auditors, the internal audit department and the Company's legal department, as appropriate, any legal, regulatory or compliance matters that could have a significant impact on the Company's financial statements, including significant changes in accounting standards or rules.
 - Obtain and review an annual report from management relating to the accounting principles used in preparation of the Company's financial statements (including those policies for which Management is required to exercise discretion or judgments regarding the implementation thereof).
 - Review and discuss with management the Company's earnings press releases as well as financial information and earnings guidance provided to analysts and rating agencies.
 - Review and discuss with management all material off-balance sheet transactions, arrangements, obligations (including contingent obligations) and other relationships of the Company with unconsolidated entities or other persons, that may have a material current or future effect on financial condition, changes in financial condition, results of operations, liquidity, capital resources, capital reserves or significant components of revenues or expenses.
 - Inquire about the application of the Company's accounting policies and its consistency from period to period and the compatibility of these accounting policies with (where appropriate) the Company's provisions for future occurrences which may have a material impact on the financial statements of the Company.
 - Review and discuss with management all disclosures made by the Company concerning any material changes in the financial condition or operations of the Company.
 - Obtain explanations from management for unusual variances in the Company's annual financial statements from year to year, and review annually the external auditors' letter of the recommendations to management and management's response.

With respect to the Internal Audit Department and Internal Controls

- On an annual basis, the Audit Committee will provide a report on the details of its performance, competencies and duties stated in the Companies Law and Its Implementing Regulations, provided that the report contains its recommendations and opinion on the adequacy of the internal and financial control systems and risk management systems in the Company, which is to be presented to the public shareholders at General Assembly meeting which approves the annual results, and which to be available to all shareholders at least Twenty-one days before such meeting.
- The Audit Committee shall:
 - Review the adequacy of the Company's internal and financial control structure and risk management system, and the procedures designed to ensure compliance with laws and regulations.
 - Supervise internal audit work, review related matters, and discuss the findings over periodic meetings attended by the head of Internal Audit and other parties as deemed necessary.
 - Review the Internal Audit's regulations, policies and procedures manual, and its organizational structure when necessary to ensure that they are consistent with changes in the Company's conditions and internal audit best practices.
 - Review and approve the internal audit annual plan.

- Ensure that the Internal Audit's strategic direction (in terms of capacity, experience, etc.) is aligned with the Company's direction, and examines the draft internal audit plan, including the risk assessment on which it is based, the budget and human resources required, in addition to any subsequent changes to the plan.
 - Ensure that the Internal Audit department has the necessary financial, human resources and support to enable it to discharge its responsibilities effectively and at a reasonable cost.
 - Examine the Internal Audit reports for the reviewed units, management's responses thereto, the agreed corrective actions and their date, and works to resolve any comments that have not been agreed upon. Additionally, discuss with the head of Internal Audit whether there is evidence of fraud, misappropriation, or critical errors and if the necessary corrective action has been taken.
 - Examine the periodic reports prepared by the Internal Audit department on the work carried out during the designated period against the annual plan. The examination should include a follow up on the procedural actions taken by the internal audit in following up on all the recommendations outlined in the report.
 - Examine the results of the Internal Audit quality assurance and evaluation program, including continuous self-evaluations and evaluation by an independent third party every five (5) years.
 - Conduct periodic meetings with the head of Internal Audit (held in private every two (2) months at a minimum) and whenever necessary to discuss any matters that the Audit Committee or Internal Audit deems necessary. Additionally, the Audit Committee shall verify that there are no restrictions on the work of Internal Audit, discuss any difficulties affecting the scope and independence of Internal Audit, and ensure the independence of Internal Audit and its freedom to contact the Audit Committee and the Board directly if deemed necessary.
 - The Audit Committee nominates the head of Internal Audit, proposes his/her wage and any other benefits and any subsequent amendments thereto, evaluates his/her performance periodically, considers his/her exemption, transfer or removal, and approves the appointment or exemption of audit supervisors directly associated with him/her.
- Establish procedures for:
- The receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters.
 - The confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

With respect to Compliance Department

- The Audit Committee shall:
- Conduct periodic meetings with the head of Compliance (held in private every two (2) months at a minimum) and whenever necessary to discuss any matters that the Audit Committee or Compliance department deems necessary. Additionally, the Audit Committee shall verify that there are no restrictions on the work of the Compliance department, discuss any difficulties affecting the scope and independence of the Compliance department, and ensure the independence of the Compliance department and its freedom to contact the Audit Committee and the Board directly if deemed necessary.
 - Approve the appointment, promotion or dismissal of the head of Compliance, , after obtaining the Regulators' written non-objection;
 - Supervise the compliance work, review related matters, and discuss the findings over periodic meetings attended by the head of Compliance and other parties as deemed necessary.
 - Review the Compliance regulations, policies and procedures manual framework, and its organizational structure when necessary to ensure that they are consistent with changes in the Company's conditions and leading practices.
 - Review and approve the proposed Compliance inspection plan for the coming year and ensure that it addresses key areas of compliance.
 - Ensure that the Compliance department has the necessary financial, human resources and support to enable it to discharge its responsibilities effectively and at a reasonable cost.
 - Examine the Compliance reports for the reviewed units, management's responses thereto, the agreed corrective actions and their date, and works to resolve any comments that have not been

agreed upon. Additionally, discuss with the head of Compliance whether there is evidence of fraud, misappropriation, or critical errors and if the necessary corrective action has been taken.

- Examine the periodic reports prepared by the Compliance department on the work carried out during the designated period against the annual plan. The examination should include a follow up on the procedural actions taken by the Compliance department in following up on all the recommendations outlined in the report.
- The Audit Committee nominates the head of Compliance, proposes his/her wage and any other benefits and any subsequent amendments thereto, evaluates his/her performance periodically, considers his/her exemption, transfer or removal, and approves the appointment or exemption of compliance supervisors directly associated with him/her.
- Review the efficiency, effectiveness and objectivity of the Compliance function and ensure that it has appropriate standing within the Company;

Compliance with Regulatory Requirements

- Ensure the Company's compliance with the relevant laws, regulations, policies and instructions;
- Review the effectiveness of the system for monitoring compliance with laws and regulations as they impact on financial reporting, and the results of management's investigation and follow-up (including disciplinary action) of any fraudulent acts of non-compliance;
- Review the comments of relevant supervisory and control entities related to any regulatory violations or corrective actions requested, and make recommendations thereon for the Board;
- Obtain updates from management as required and the Company's General Counsel regarding compliance matters that may have a material impact on the financial statements or compliance policies;
- Reviewing the Actuary reports and making recommendations thereon for the Board.
- Ensuring the Company's compliance with the Actuary's proposals and recommendations, where these are mandatory and required by the regulators.
- Follow-up on lawsuits filed by or against the Company and submit periodic reports thereon to the Board.
- 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.
- Ensuring the optimal use and controls of information technology necessary to generate accurate and reliable information and data are in place.

Other

- Ensure that corrective action is taken or recommended in order to adequately resolve complaints, issues or disputes raised by the Company's stakeholders.
- Review the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures (including management's risk assessment and risk management policies).
- Review the program that management has established to monitor compliance with its code of business ethics and conduct for Board of Directors, officers and employees.
- Review and approve all related-party transactions.
- Review and approve any change or waiver in the Company's code of business conduct and ethics for Board of Directors or executive officers.
- Assist the Board in determining on an annual basis the compliance of each Board member and executive officer with the Company's code of business conduct and ethics and shall report any violations of the code to the Board. The Committee shall recommend to the Board for its approval any waivers of the code for Board members or executive officers and shall ensure that the Board promptly discloses any waivers to shareholders.
- Establish the policy for the Company's hiring of employees or former employees of the external auditors who were engaged on the Company's account.
- Review any management decision to seek a second opinion from external auditors other than the Company's regular external auditors with respect to any significant accounting issue.
- Review with management and the external auditors the sufficiency and quality of the internal audit department staff and other financial and accounting personnel of the Company.
- Conduct an annual performance evaluation of itself.

- Perform any other activities consistent with this charter, the Company's By-laws and governing law as the Committee or the Board deems necessary or appropriate.
- Review and reassess, periodically, the adequacy of this Charter and recommend to the Board of Directors any improvements to this Charter that the Committee considers necessary or valuable. The Committee shall conduct such evaluations and reviews in such manner as it deems appropriate.
- The Audit Committee members are accountable to the regulators, the Company's shareholders and the Board for implementing the provisions of regulations issued by regulators and executing the Audit Committee's action plan issued by a Board's decision.
- This charter will be made available on the Company's website.

13- Committee Members' Remuneration

The Audit committee members are entitled to annual Remuneration for their membership in the committee, if the eligibility requirements have been fulfilled by the member.

The committee members' remuneration shall be as per the Board Members and committees members' Remuneration Policies which is approved by the General Assembly, and provided within the parameters allowed by the law and regulations of Saudi Arabia.

The Secretary of the Audit Committee shall be eligible for remuneration for carrying out his or her functions for each Committee meeting. The amount of such compensation shall be determined by a decision issued by the Board of Directors.

14- Review & Amendments

The Committee shall develop, implement and review its own Charter annually and shall thereafter recommend its revised Charter for the Board's approval. The Board in return raises the charter to be approved in General Assembly meeting (in case the changes is required)

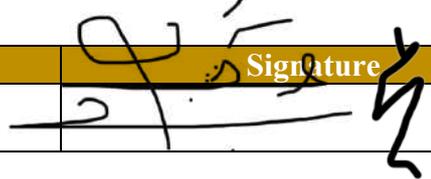
Policy review

Name	Ver.	date	responsibility
Audit Committee Charter	1.03	28/04/2024	Board of Directors

Audit Committee Approval

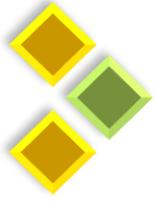
Name	Position	Signature
Ahmed Solaiman Al Muzaini	Committee Chairman	

Board of Directors Approval

Name	Position	Signature
Abdulaziz Ali AL Turki	BOD Chairman	

General Assembly Approval

General Assembly	Date
Ordinary General Assembly Meeting	04/06/2024



After

Amendments

Audit Committee Regulation and Charter



إتحاد الخليج الأهلية للتأمين التعاوني
GULF UNION AL AHLIA COOPERATIVE INSURANCE

Audit Committee Charter / Regulation

**Controls regulating the work of the Audit Committee,
The Role and Responsibilities of the committee, and the rules
and controls for its formation and selection of its members**

About the Company

Gulf Union Al Ahlia Cooperative Insurance Company is a Saudi public joint stock company whose license was approved by Ministerial Resolution No. (233) dated 16 Ramadan 1427 AH corresponding to October 9, 2006 AD and by Royal Decree No. (M/60) dated 9/18/1427 AH (corresponding to October 9, 2006 AD) October 11, 2006 AD (and was established by Ministerial Resolution No. 196/Q on 7/22/1428 corresponding to 05/08/2007)

The company obtained a license to practice insurance activity No. (TMN/09/20079), dated 29/08/1428 AH, issued by the Insurance Authority in the following branches (general insurance - medical insurance - protection and savings insurance)

The company is under the supervision and control of the Insurance Authority

Introduction

Gulf Union Al Ahlia Cooperative Insurance Company aims to establish the best Governance standards and practices and apply the company's corporate governance rules.

In compliance with the relevant laws, regulations and instructions, the company has established the Audit committee charter, which contains the controls regulating the work of the Audit committee, the role and responsibilities of the committee, the rules and controls for its formation, the selection of committee members, its meetings, and the rewards of its members in accordance with the relevant laws and regulations.

1- Purpose

The purpose of the Audit Committee (the “Committee”) of the Board of Directors (the “Board”) of GUAI Gulf Union Al Ahlia Cooperative Insurance Co. (the “Company”) is to assist the Board of Directors in fulfilling its oversight responsibilities with respect to:

- The Company's auditing, accounting and financial reporting processes generally.
- The Company's systems of internal controls regarding finance, accounting, legal compliance and ethical behaviour.
- The Company's financial statements and other financial information provided by the Company to its shareholders, the public and others.
- The Company's compliance with legal and regulatory requirements.
- The performance of the Company's internal audit department and external auditors.

Consistent with these functions, the Committee will encourage continuous improvement of, and foster adherence to, the Company's policies, procedures and practices at all levels. The Audit Committee shall be in charge of controlling the company businesses. For this purpose, the Audit Committee may access the company records and documents and may request any explanation or statement from the Board members or the Executive Management. The Committee may also ask the Board to invite the General Assembly of the company to meet if the Board prevents it from discharging its duties or if the company incurs gross damages or losses.

In performing its duties, the Committee will maintain effective working relationships with the Board of Directors, management, and the internal and external auditors. To perform his role effectively, each Committee member will obtain an understanding of the detailed responsibilities of Committee membership as well as the Company’s business, operations, and risks.

Although the Committee has the powers and responsibilities set forth in this charter, the role of the Committee is oversight. The members of the Committee are not full-time employees of the Company and

may or may not be accountants or auditors by profession and, in any event, do not serve in such capacity. However, one of its member should be specialised in finance and accounting. Consequently, it is not the duty of the Committee to conduct audits or to determine that the Company's financial statements and disclosures are complete and accurate and are in accordance with all applicable rules and regulations. These are the responsibilities of management and the external auditors.

2- Committee formation, Structure and selection of its members

Committee Formation

- The Audit Committee shall be formed by a decision of the Board of Directors after obtaining the Insurance Authority's non-objection
- The Audit Committee shall be composed of no less than three (3) and no more than five (5) members.
- The Audit Committee members should be independent and the majority of members shall be from outside of the Board. The committee should include at least one independent Board member and that no executive Board members may be part of the committee.

Members Appointment

- The Audit Committee shall be formed by a decision of the Board of Directors, The Audit Committee members should be independent and the majority of members shall be from outside of the Board. The committee should include at least one independent Board member, provided that obtaining Insurance Authority's prior no-objection on the nomination/appointment

Chairman Selection

- 1- The Audit Committee shall be formed by a decision of the Board of Directors, The company's board of directors appoint one of the audit committee members as its chairman, , provided that obtaining Insurance Authority's prior no-objection on the nomination/appointment of the Chairman of the committee
- 2- The Chairman of the Board shall not be a member or Chairman of the Audit Committee.
- 3- 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.
- 4- 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.

Rules for selecting committee members

There are a set of rules that the board of directors must take into account when selecting members of the Audit committee, and whoever is appointed as a member of the Audit committee is required to meet the following throughout the term of his membership in the committee:

- 1- The Audit Committee Member must be independent
- 2- Any person who works or has worked in the Company's finance Department, the Executive Management or for the Company's external auditor during the preceding two years may not be a member of the Audit Committee.
- 3- The Audit Committee members shall not include the Company's executives, employees, or consultants. The Audit Committee members shall not include board members, executives,

employees, consultants, representatives of any parties connected to the Company, including but not limited to:

- Major shareholders and founders.
 - External Auditors
 - Suppliers
 - The Company's Customers
 - 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.
- 4- An Audit Committee member shall not be a member of a Board or an Audit Committee of any other company operating in the insurance sector in the Kingdom of Saudi Arabia.
 - 5- No Audit Committee Member shall simultaneously serve on the audit committees of more than four (4) public companies.
 - 6- The member of the Audit Committee must have an appropriate academic qualification and knowledge of the nature of the company's business.
 - 7- That the member must have a good reputation and good conduct.
 - 8- To refrain from engaging in any activity that may be in conflict with the interest of the company, or in competition with its business, or that may harm his ability to carry out his duties and responsibilities objectively.
 - 9- To allocate an appropriate time to perform the tasks entrusted to him to perform as a member of the committee.
 - 10- The member should have the appropriate technical, financial or administrative expertise.

3- Membership term, mechanisms for appointing and relieving committee members, and vacant positions

1- The Board of Directors shall appoint the Audit Committee's Chairman and members for a ~~three~~ **Four**-year term. The Board of Directors may renew the term of the Audit Committee or a member thereof for another ~~three~~ **Four**-year term for one time only.

The Board of Directors may appoint new Audit Committee members in case of electing a new Board of Directors after obtaining Insurance Authority's written non-objection.

- 2- Insurance Authority is entitled to withdraw its non-objection of any member or members of the Audit Committee in case of any violation by any of them of the provisions of the Audit Committee Regulation in Insurance and/or Reinsurance Companies, the Supervision of Cooperative Insurance Companies Control Law and its Implementing Regulation and any relevant Regulations or Instructions, and take actions it deems appropriate against the Company and the persons concerned.
- 3- The Board of Directors, after obtaining Insurance Authority's written non-objection, may dismiss an Audit Committee member if he or she ceases to satisfy membership terms or violates the provisions of the Audit Committee Regulation in Insurance and/or Reinsurance Companies, the Supervision of Cooperative Insurance Companies Control Law and its Implementing Regulation or any relevant Regulations and Instructions.
- 4- An Audit Committee member has the right to resign, after providing the resignation request to the Board one month before its resignation becomes effective. The Company shall notify Insurance Authority's in writing of the resignation of a member of the Audit Committee and the reasons thereof and provide Insurance Authority with a copy of the resignation request within five (5) working days from the date of the resignation.
- 5- An Audit Committee member shall be deemed resigned if he or she fails to attend any meetings of the Audit Committee for more than three consecutive times without presenting an excuse acceptable to the Board.

- 6- The membership of an Audit Committee member shall terminate automatically upon the occurrence of any change that would breach the membership's terms set forth in the Audit Committee Regulation in Insurance and/or Reinsurance Companies or any other Regulations, Instructions or Decisions issued by Insurance Authority. 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.
- 7- The Board shall ensure that the members of the Audit Committee are appropriately qualified to discharge their responsibilities. At least two Audit Committee members, including the AC Chairman, have recent and relevant accounting or financial management expertise or experience.
- 8- If there is a vacant seat in the Audit Committee during the membership term, the Board, after obtaining Insurance Authority's written non-objection, shall appoint another member within a month of the vacancy date to fill the vacant position. The new member shall complete his or her predecessor's term. The appointment shall be presented to the company's ordinary general assembly at its first meeting.

4- Duties of a committee member

- 1- Regularly attending the committee's sessions and actively participating in its work
- 2- Preserving the company's secrets. A member of the committee may not disclose to the shareholders, other than in the general assembly, or to third parties, the company's secrets that came to his attention due to the performance of his work, otherwise he must change it, in addition to being held accountable for compensation for the damage that may result from that.
- 3- To exercise due diligence to carry out the work entrusted to him, and to keep abreast of recent developments related to the company's business.
- 4- To be characterized by justice and to display integrity, chastity, honesty, objectivity and independence when performing his work
- 5- To be free of personal interests, not to subject his judgment to the opinions of others, and not to disclose information that is not true.
- 6- The member shall not participate in any business or activities considered to be offensive to honor and honesty.
- 7- He shall not accept anything of significant value from an employee, affiliate, customer, supplier, or anyone who has a business relationship with the company that may lead to a weakness in the independence of the committee member in form and substance or affect or presumably affect his decisions.
- 8- To disclose to the Board of Directors the transactions that took place between him and the company and the nature of that relationship, as well as the relationship he has with the Board of Directors and the company's executive managers, in accordance with what is required by the code of conduct approved by the company.

5- Responsibilities of the Chairman of the Committee

The Chairman of the committee shall supervise the committee's achievement of all its tasks. The committee chairman shall have the following authorities:

- 1- Inviting the committee to convene and specifying the time, date and place of each committee meeting and the agenda, after coordination with the committee members.
- 2- Presiding over committee meetings.
- 3- Submitting the results and recommendations of the committee's work to the Board.

- 4- Preparing the committee's budget, its work plan, and its projects in the short and long term, in coordination with the committee's secretary, and presenting it to the committee in preparation for submitting it to the board of directors, after being approved by the committee.
- 5- When needed - Preparing periodic reports on the activities of the committee in coordination with the committee's secretary and presenting them to the committee in preparation for submission to the board of directors, after being approved by the committee. Copies of the committee's minutes are attached to these reports.
- 6- Representing the committee on the Board and in front of any other party that requires it.

6- Appointment of a secretary of the committee

- 1- The committee appoints a secretary from among the company's employees to undertake its administrative work, prepare minutes of its meetings, ensure that the committee chairman signs these minutes, and schedule committee meetings in coordination with its chairman.
- 2- The Insurance Authority's prior no-objection to the appointment of the committee Secretary should be obtained.
- 3- When choosing the committee secretary, it should be taken into account that he has the academic qualification and practical experience that enables him to carry out the tasks entrusted to him.
- 4- The secretary of the committee must document and keep the minutes of the committee's meetings in a special register for that.
- 5- The Secretary of the Audit Committee shall not be a Secretary of any other board committee.
- 6- The committee secretary must prepare a list of the committee's tasks and responsibilities and follow up on their implementation on a quarterly basis during the year with the committee chairman and members.

7- Committee Meetings

- The Audit Committee shall meet at least six times a year, include 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:
 1. Upon the request of the Chairman of the Board
 2. Cases in which the External Auditor, Internal Auditor, Compliance Officer or Actuary requests a Committee meeting due to reason that requires so.
 3. Meetings on other issues such as:
 - Financial and audit issues
 - Compliance issues
 - Conflicts of interest
 - Professional and ethical codes of conduct
- The Audit Committee meetings shall not be held without the presence of at least half of its members.
- The Committee should also convene if a triggered high priority risk was highlighted.
- The agenda of each meeting will be prepared by the Chairman of the Committee with the assistance of the Committee Secretary and whenever reasonably possible, circulated with the related documents to each member in an appropriate period prior to the meeting date in compliance with the regulatory periods.
- Every meeting of the Committee should be followed by a report detailing the outcome of the meeting to the Board of Directors.

- The Committee resolutions shall be issued by majority of present votes. In case of equality, the Chairman shall have a casting vote.
- It is not allowed to vote on the decisions of the Audit Committee on behalf or by proxy of a member
- No member of the Board or the Executive Management except the Secretary or a member of the Committee may attend the meetings unless the Audit Committee requests the concerned person(s) opinion or advice.
- The Committee shall convene periodically with the Company's external auditor and internal auditor, and shall require members of management, the internal audit department, the external auditors and others to attend Committee meetings and provide pertinent information, as necessary.
- The committee may meet remotely via teleconferences or videoconferencing, and they may act through resolution agreed upon in writing.
- It is expected that regular reports will be received on matters to be defined by the Audit Committee but are likely to include:
 - External audit reports.
 - Internal audit reports.
 - Compliance audit reports.
 - Security and fraud reports.
- As part of its job to foster open communications, the Committee shall meet in separate executive sessions during each of its six regularly scheduled meetings with management, the internal audit manager and the Company's external auditors to discuss any matters that the Committee (or any of these groups) believes should be discussed privately.
- Any member may reserve any decision taken by the committee, provided that he states the reasons that led him to reserve. If any member leaves the committee meeting before its conclusion, his reservation, if any, is limited to the decisions related to the items he attended for discussion, provided that he states in the minutes the items he did not attend the discussion if he expresses his desire in writing.
- The committee secretary must record the opinions of all parties in the minutes of the meeting.

8- Documenting the minutes of the committee's meetings:

The minutes of the committee's meetings are documented as follows:

- 1- During the meeting, the Secretary of the Committee records the most important discussions and upon completion of the discussion of any topic, he summarizes the recommendations or decisions reached.
- 2- The Secretary of the Committee shall prepare for each of the Committee's meetings a draft minutes in which the date and place of the meeting, the names of those present and absent, a summary of the discussions and the texts of recommendations and decisions reached by the Committee shall be written and presented to the members of the Committee for approval.
- 3- The minutes of the meeting must be prepared and sent to the members within 15 days from the date of the meeting.
- 4- The signed copy of the minutes shall be kept in a special file and all documents related to the minutes shall be attached to it.

9- The Committee's plan and annual report to the Board of Directors and the Committee's evaluation

- 1- The committee shall prepare, before the beginning of each year, an annual plan that includes a timetable for the committee's meetings and a description of the work it will undertake during the year.
- 2- The committee must submit an annual report to the board of directors stating the number of committee meetings, the accomplished tasks assigned to the committee, what has not been accomplished, the reason for that, and the obstacles facing the committee in its work.
- 3- The audit committee must submit an annual report to the company's ordinary general assembly that includes the committee's opinion on the adequacy of the company's internal control system and the other work it has carried out within the scope of its competence.
- 4- The Board of Directors, through the Nominations and Remunerations Committee or with the assistance of an external evaluation body, conducts the annual evaluation of the Committee and the Chairman and members of the Committee.

10- Authority

In order to achieve its objectives, the Audit Committee shall have full and unrestricted access to all information, data, reports, records, correspondence or other matters which the Committee deems important, and full and unrestricted access to the Board, staff, legal advisers, external auditors, internal auditors and other internal or external parties that the Committee deems necessary. All officials, employees and other internal and external parties must respond to the queries and requests of the Audit Committee and provide it with documentation, data and information as necessary.

After getting Board Approval, The Audit Committee shall be entitled to obtain external professional, independent and legal advice and appoint other consultants to advise the Audit Committee as considered necessary, at the cost of the Company, and to determine their compensation.

The Board also authorizes the Audit Committee, within the scope of its responsibilities, to:

- Review the scope of the proposed audit to be performed and how effective the scope relates to the Company's special problem areas.
- Review the results of the audit with the external auditors, as well as discuss the financial statements.
- Review the adequacy of the internal financial and operational controls of the Company with both the staff performing internal auditing and the external auditors, and keep the Board informed of its findings.
- The Audit Committee shall consider the company financial statements, reports and remarks provided by the auditor and provide its remarks if any.
- Prepare a report on its opinion in the adequacy of the internal control system of the company and the works it has carried out within its functions.

11- Committee's Resources and Scope of Work

The Audit Committee shall have the authority to retain independent legal, accounting and other consultants to advise the Committee. The Committee may request any officer or employee of the Company or the Company's lawyers or external auditors to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee.

The Committee shall determine the extent of funding necessary for payment of compensation to the independent legal, accounting and other consultants retained to advise the Committee for the purpose of rendering or issuing the annual audit report.

In discharging its oversight role, the Committee is empowered to investigate any matter brought to its attention with full access to all books, records, facilities and personnel of the Company and the power to retain outside counsel, auditors or consultants, or incur other expenses for this purpose, which expenses the Company shall pay. The Committee may also meet with the Company's investment bankers or financial analysts who follow the Company. The Committee may require any officer or employee of the Company or any of its subsidiaries, the Company's outside legal counsel, and the Company's external auditors to meet with the Committee or any member of the Committee.

The Board of Directors shall take all necessary measures to ensure that the Committee performs its duties.

12- Responsibilities and Duties

To fulfil its responsibilities and duties, the Audit Committee shall:

With respect to the external auditors

- The company must have one or more external auditor to be appointed by the Ordinary General meeting, which shall set his remuneration and term and may reappoint him provided that The total term of office for the external auditor shall not exceed seven consecutive or non-consecutive financial years, and the Authority may, at its discretion, amend this term for any company or sector; such period shall be recalculated after the lapse of not less than three consecutive financial years froth end of the last financial year in which he worked on auditing of the Company's accounts. (And any instructions or updates issued by the regulatory authorities in this regard must be taken into account)
- The Assembly may also change the auditor at any time without prejudice to his right to indemnification if such change takes place at improper time or for illegal reason.
- The Audit Committee is responsible (including resolution of disagreements between management and the external auditors regarding financial reporting) for the purpose of preparing its audit report or related work.
- The Audit Committee responds to queries of the external auditors, supervises the activities of the external auditors and approves any activity beyond the scope of the audit work assigned to them during the performance of their duties, and shall provide recommendations to the Board to nominate external auditors, dismiss them, determine their remunerations, and assess their performance after verifying their independence and reviewing the scope of their work and the terms of their contracts.
- The Audit Committee shall review the external auditor's reports and its comments on the financial statements, and following up on the procedures taken, and shall also review and approve disclosures required to be included in financial statements in accordance with all regulatory requirements.
- The Audit Committee shall have the authority to review in advance and recommend to the Board:
 - All auditing services to be provided by the external auditors (final approvals of such services rests with the AGM).
 - All non-audit services to be provided by the external auditors.
 - Connection therewith to approve all fees and other terms of engagement.
- The Audit Committee shall review the performance of the Company's external auditors on at least an annual basis.
- On an annual basis, review and discuss with the external auditors all relationships the external auditors have with the Company in order to evaluate the external auditors' continued independence its objectivity, fairness, and effectiveness of the audit activities, taking into account the relevant rules and standards.

The Committee:

- Shall ensure that the external auditors submit to the Committee on an annual basis a written statement delineating all relationships and services that may impact the objectivity and independence of the external auditors.
 - Shall discuss with the external auditors any disclosed relationship or services that may impact the objectivity and independence of the external auditors.
 - Shall satisfy itself as to the external auditors' independence.
- At least annually, obtain and review an annual report from the external auditors describing:
- The external auditors' internal quality control procedures.
 - Any material issues raised by the most recent internal quality control review, or peer review, of the external auditors, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more external audits carried out by the external auditors, and any steps taken to deal with any such issues.
 - Confirm that the Company's external auditors have not performed audit services for the Company for each of the five previous fiscal years.
 - Review, based upon the recommendation of the external auditors, the scope and plan of the work to be done by the external auditors for each fiscal year.
- A meeting shall be held at least once every quarter or as needed. Such meetings shall be held in private with the external auditors to discuss matters related to the financial statements and any other matters deemed important by the Audit Committee including:
- That the services provided by external auditors be limited to those specified by the relevant regulations.
 - Problems or difficulties experienced by external auditors during their audit work.
 - Any restrictions on the scope of work of external auditors so as to ensure full and unrestricted access to all entities, individuals and information that external auditors consider essential, including the Company personnel, accounting records, documents and related documents.
 - Issues of contention between management and external auditors and /or internal audit.
 - Coordination of efforts between external auditors and internal auditors

With respect to financial statements

- Review and discuss with management, the internal audit department and the external auditors the Company's quarterly financial statements (including disclosures made in "Management's Activity Report" and the external auditors' review of the quarterly financial statements) prior to submission to shareholders, any governmental body, any stock exchange or the public.
- Review and discuss with management, the internal audit department and the external auditors the Company's annual audited financial statements (including disclosures made in "Management's Activity Report").
- Periodically review separately with each of management, the external auditors and the internal audit department:
 - Any significant disagreement between management and the external auditors or the internal audit department in connection with the preparation of the financial statements.
 - Any difficulties encountered during the course of the audit (including any restrictions on the scope of work or access to required information).
 - Management's response to each of the previous.
- The duties of the Audit Committee shall particularly include the following:
 - The Audit Committee shall analyse the Company's interim and annual financial statements before presenting them to the Board and providing its opinion and recommendations thereon to ensure their integrity, fairness and transparency.
 - Provide its technical opinion, at the request of the Board, regarding whether the Board's report and the Company's financial statements are fair, balanced, understandable, and contain information that allows shareholders and investors to assess the Company's financial position, performance, business model, and strategy.
 - Analyse any important or non-familiar issues contained in the financial reports.

- Investigating any issues raised by the Company's chief financial officer or any person assuming his/her duties or the Company's compliance officer or external auditor.
- Examining the accounting estimates in respect of significant matters that are contained in the financial reports.
- Examining the accounting policies followed by the Company and providing its opinion and recommendations to the Board thereon.
- Periodically discuss with the external auditors:
 - Without management being present, their judgments about the quality, appropriateness, and acceptability of the Company's accounting principles and financial disclosure practices, as applied in its financial reporting.
 - The completeness and accuracy of the Company's financial statements.
 - Consider and approve, if appropriate, significant changes to the Company's accounting principles and financial disclosure practices as suggested by the external auditors, management or the internal audit department.
 - Review with the external auditors, management and the internal audit department, at appropriate intervals, the extent to which any changes or improvements in accounting or financial practices, as approved by the Committee, have been implemented.
 - Review with management, the external auditors, the internal audit department and the Company's legal department, as appropriate, any legal, regulatory or compliance matters that could have a significant impact on the Company's financial statements, including significant changes in accounting standards or rules.
 - Obtain and review an annual report from management relating to the accounting principles used in preparation of the Company's financial statements (including those policies for which Management is required to exercise discretion or judgments regarding the implementation thereof).
 - Review and discuss with management the Company's earnings press releases as well as financial information and earnings guidance provided to analysts and rating agencies.
 - Review and discuss with management all material off-balance sheet transactions, arrangements, obligations (including contingent obligations) and other relationships of the Company with unconsolidated entities or other persons, that may have a material current or future effect on financial condition, changes in financial condition, results of operations, liquidity, capital resources, capital reserves or significant components of revenues or expenses.
 - Inquire about the application of the Company's accounting policies and its consistency from period to period and the compatibility of these accounting policies with (where appropriate) the Company's provisions for future occurrences which may have a material impact on the financial statements of the Company.
 - Review and discuss with management all disclosures made by the Company concerning any material changes in the financial condition or operations of the Company.
 - Obtain explanations from management for unusual variances in the Company's annual financial statements from year to year, and review annually the external auditors' letter of the recommendations to management and management's response.

With respect to the Internal Audit Department and Internal Controls

- On an annual basis, the Audit Committee will provide a report on the details of its performance, competencies and duties stated in the Companies Law and Its Implementing Regulations, provided that the report contains its recommendations and opinion on the adequacy of the internal and financial control systems and risk management systems in the Company, which is to be presented to the public shareholders at General Assembly meeting which approves the annual results, and which to be available to all shareholders at least Twenty-one days before such meeting.
- The Audit Committee shall:
 - Review the adequacy of the Company's internal and financial control structure and risk management system, and the procedures designed to ensure compliance with laws and regulations.
 - Supervise internal audit work, review related matters, and discuss the findings over periodic meetings attended by the head of Internal Audit and other parties as deemed necessary.

- Review the Internal Audit's regulations, policies and procedures manual, and its organizational structure when necessary to ensure that they are consistent with changes in the Company's conditions and internal audit best practices.
 - Review and approve the internal audit annual plan.
 - Ensure that the Internal Audit's strategic direction (in terms of capacity, experience, etc.) is aligned with the Company's direction, and examines the draft internal audit plan, including the risk assessment on which it is based, the budget and human resources required, in addition to any subsequent changes to the plan.
 - Ensure that the Internal Audit department has the necessary financial, human resources and support to enable it to discharge its responsibilities effectively and at a reasonable cost.
 - Examine the Internal Audit reports for the reviewed units, management's responses thereto, the agreed corrective actions and their date, and works to resolve any comments that have not been agreed upon. Additionally, discuss with the head of Internal Audit whether there is evidence of fraud, misappropriation, or critical errors and if the necessary corrective action has been taken.
 - Examine the periodic reports prepared by the Internal Audit department on the work carried out during the designated period against the annual plan. The examination should include a follow up on the procedural actions taken by the internal audit in following up on all the recommendations outlined in the report.
 - Examine the results of the Internal Audit quality assurance and evaluation program, including continuous self-evaluations and evaluation by an independent third party every five (5) years.
 - Conduct periodic meetings with the head of Internal Audit (held in private every two (2) months at a minimum) and whenever necessary to discuss any matters that the Audit Committee or Internal Audit deems necessary. Additionally, the Audit Committee shall verify that there are no restrictions on the work of Internal Audit, discuss any difficulties affecting the scope and independence of Internal Audit, and ensure the independence of Internal Audit and its freedom to contact the Audit Committee and the Board directly if deemed necessary.
 - The Audit Committee nominates the head of Internal Audit, proposes his/her wage and any other benefits and any subsequent amendments thereto, evaluates his/her performance periodically, considers his/her exemption, transfer or removal, and approves the appointment or exemption of audit supervisors directly associated with him/her.
- Establish procedures for:
- The receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters.
 - The confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

With respect to Compliance Department

- The Audit Committee shall:
- Conduct periodic meetings with the head of Compliance (held in private every two (2) months at a minimum) and whenever necessary to discuss any matters that the Audit Committee or Compliance department deems necessary. Additionally, the Audit Committee shall verify that there are no restrictions on the work of the Compliance department, discuss any difficulties affecting the scope and independence of the Compliance department, and ensure the independence of the Compliance department and its freedom to contact the Audit Committee and the Board directly if deemed necessary.
 - Approve the appointment, promotion or dismissal of the head of Compliance, , after obtaining the Regulators' written non-objection;
 - Supervise the compliance work, review related matters, and discuss the findings over periodic meetings attended by the head of Compliance and other parties as deemed necessary.
 - Review the Compliance regulations, policies and procedures manual framework, and its organizational structure when necessary to ensure that they are consistent with changes in the Company's conditions and leading practices.
 - Review and approve the proposed Compliance inspection plan for the coming year and ensure that it addresses key areas of compliance.

- Ensure that the Compliance department has the necessary financial, human resources and support to enable it to discharge its responsibilities effectively and at a reasonable cost.
- Examine the Compliance reports for the reviewed units, management's responses thereto, the agreed corrective actions and their date, and works to resolve any comments that have not been agreed upon. Additionally, discuss with the head of Compliance whether there is evidence of fraud, misappropriation, or critical errors and if the necessary corrective action has been taken.
- Examine the periodic reports prepared by the Compliance department on the work carried out during the designated period against the annual plan. The examination should include a follow up on the procedural actions taken by the Compliance department in following up on all the recommendations outlined in the report.
- The Audit Committee nominates the head of Compliance, proposes his/her wage and any other benefits and any subsequent amendments thereto, evaluates his/her performance periodically, considers his/her exemption, transfer or removal, and approves the appointment or exemption of compliance supervisors directly associated with him/her.
- Review the efficiency, effectiveness and objectivity of the Compliance function and ensure that it has appropriate standing within the Company;

Compliance with Regulatory Requirements

- Ensure the Company's compliance with the relevant laws, regulations, policies and instructions;
- Review the effectiveness of the system for monitoring compliance with laws and regulations as they impact on financial reporting, and the results of management's investigation and follow-up (including disciplinary action) of any fraudulent acts of non-compliance;
- Review the comments of relevant supervisory and control entities related to any regulatory violations or corrective actions requested, and make recommendations thereon for the Board;
- Obtain updates from management as required and the Company's General Counsel regarding compliance matters that may have a material impact on the financial statements or compliance policies;
- Reviewing the Actuary reports and making recommendations thereon for the Board.
- Ensuring the Company's compliance with the Actuary's proposals and recommendations, where these are mandatory and required by the regulators.
- Follow-up on lawsuits filed by or against the Company and submit periodic reports thereon to the Board.
- 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.
- Ensuring the optimal use and controls of information technology necessary to generate accurate and reliable information and data are in place.

Other

- Ensure that corrective action is taken or recommended in order to adequately resolve complaints, issues or disputes raised by the Company's stakeholders.
- Review the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures (including management's risk assessment and risk management policies).
- Review the program that management has established to monitor compliance with its code of business ethics and conduct for Board of Directors, officers and employees.
- Review and approve all related-party transactions.
- Review and approve any change or waiver in the Company's code of business conduct and ethics for Board of Directors or executive officers.
- Assist the Board in determining on an annual basis the compliance of each Board member and executive officer with the Company's code of business conduct and ethics and shall report any violations of the code to the Board. The Committee shall recommend to the Board for its approval any waivers of the code for Board members or executive officers and shall ensure that the Board promptly discloses any waivers to shareholders.
- Establish the policy for the Company's hiring of employees or former employees of the external auditors who were engaged on the Company's account.

- Review any management decision to seek a second opinion from external auditors other than the Company's regular external auditors with respect to any significant accounting issue.
- Review with management and the external auditors the sufficiency and quality of the internal audit department staff and other financial and accounting personnel of the Company.
- Conduct an annual performance evaluation of itself.
- Perform any other activities consistent with this charter, the Company's By-laws and governing law as the Committee or the Board deems necessary or appropriate.
- Review and reassess, periodically, the adequacy of this Charter and recommend to the Board of Directors any improvements to this Charter that the Committee considers necessary or valuable. The Committee shall conduct such evaluations and reviews in such manner as it deems appropriate.
- The Audit Committee members are accountable to the regulators, the Company's shareholders and the Board for implementing the provisions of regulations issued by regulators and executing the Audit Committee's action plan issued by a Board's decision.
- This charter will be made available on the Company's website.

13- Committee Members' Remuneration

The Audit committee members are entitled to annual Remuneration for their membership in the committee, if the eligibility requirements have been fulfilled by the member.

The committee members' remuneration shall be as per the Board Members and committees members' Remuneration Policies which is approved by the General Assembly, and provided within the parameters allowed by the law and regulations of Saudi Arabia.

The Secretary of the Audit Committee shall be eligible for remuneration for carrying out his or her functions for each Committee meeting. The amount of such compensation shall be determined by a decision issued by the Board of Directors.

14- Review & Amendments

The Committee shall develop, implement and review its own Charter annually and shall thereafter recommend its revised Charter for the Board's approval. The Board in return raises the charter to be approved in General Assembly meeting (in case the changes is required)

Policy review

Name	Ver.	date	responsibility
Audit Committee Charter	1.03 1.04	28/04/2024	Board of Directors

Audit Committee Approval

Name	Position	Signature
Ahmed Solaiman Al Muzaini	Committee Chairman	

Board of Directors Approval

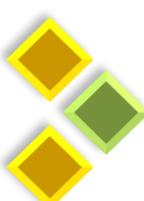
Name	Position	Signature
Abdulaziz Ali AL Turki	BOD Chairman	

General Assembly Approval

General Assembly	Date

Audit Committee Charter

Ordinary General Assembly Meeting	04/06/2024
-----------------------------------	------------



Agenda Item # 4

**Voting on amending the Executive Committee
Regulation and Charter (Attached).**



Before

Amendments

Executive Committee Regulation and Charter



إتحاد الخليج الأهلية للتأمين التعاوني
GULF UNION AL AHLIA COOPERATIVE INSURANCE

Executive Committee Charter / Regulation

**Controls regulating the work of the Executive Committee,
The Role and Responsibilities of the committee, and the rules
and controls for its formation and selection of its members**

About the Company

Gulf Union Al Ahlia Cooperative Insurance Company is a Saudi public joint stock company whose license was approved by Ministerial Resolution No. (233) dated 16 Ramadan 1427 AH corresponding to October 9, 2006 AD and by Royal Decree No. (M/60) dated 9/18/1427 AH (corresponding to October 9, 2006 AD) October 11, 2006 AD (and was established by Ministerial Resolution No. 196/Q on 7/22/1428 corresponding to 05/08/2007)

The company obtained a license to practice insurance activity No. (TMN/09/20079), dated 29/08/1428 AH, issued by the Insurance Authority in the following branches (general insurance - medical insurance - protection and savings insurance)

The company is under the supervision and control of the Insurance Authority

Introduction

Gulf Union Al Ahlia Cooperative Insurance Company aims to establish the best Governance standards and practices and apply the company's corporate governance rules.

In compliance with the relevant laws, regulations and instructions, the company has established the executive committee charter, which contains the controls regulating the work of the executive committee, the role and responsibilities of the committee, the rules and controls for its formation, the selection of committee members, its meetings, and the rewards of its members in accordance with the relevant laws and regulations.

1- Purpose

The purpose of the Executive Committee (the "Committee") of the Board of Directors (the "Board") of Gulf Union Al Ahlia Cooperative Insurance Co. (The "Company" or "GUAI") is to assist the Board in performing activities and tasks as delegated to it by the Board of Directors, in order to facilitate smooth operations of the Company.

2- Committee Responsibilities

The following functions shall be the common recurring activities of the Committee in performing its responsibilities. These functions are set forth as a guide with the understanding that the Company may diverge from this guide as appropriate given the circumstances.

The committee Roles and Responsibilities for example but not limited to the following:

- The Committee shall assist the Board in performing activities and tasks as delegated to it by the Board of Directors, in order to facilitate smooth operations of the Company.
- The Committee shall assist the Board in the development of the Company's major strategic goals, Board should study and approve these goals.
- The Committee shall assist the Board in conducting a strategic review of the Company's performance on a regular basis to determine whether the Company is meeting its short and long term objectives.
- The Committee shall monitor the financial and operating performance of the Company.
- Studying and discussing the CEO's reports, and presenting the necessary recommendations to the Board of Directors regarding them.
- Assisting the Board of Directors in implementing the decisions of the General Assembly and the decisions of the Board of Directors
- The Committee shall be responsible for the formation or restructuring of any joint venture or partnership including any associated expenditure.

- The Committee shall recommend mergers or consolidations in the course of reorganizing the Company which will be referred to the Board in a confidential manner.
- The Committee shall review the capability of the business partner/developers involved in projects undertaken by GUCIC.
- The Committee shall have the powers and authority of the Board in performing and approving activities empowered to it by the Board except the following:
 - Approving the annual budget;
 - Approving the periodic and annual financial reports; and
 - Approving the Company's business strategies.
- The Recommendations resolutions of the Committee shall be reported to the Board of Directors at their next meeting.
- The Committee shall have authority to retain consultants and other advisors as it is deemed necessary to carry out its duties.
- The Committee shall review and make appropriate recommendations to the Board with regards to the Company's management of its corporate social responsibilities related to employees, community and environment.
- The Committee shall monitor compliance with the Company's corporate social responsibility policies.
- The Committee shall identify, in conjunction with management, significant social and environmental risk areas and evaluate the proper management of such areas.
- The Committee shall ensure that the Company maintains dialogue with all relevant stakeholder groups with regard to corporate social responsibility issues.
- The Committee shall perform such other activities as the Board may assign to the Committee from time to time.
- The Committee shall make this charter available on the Company's website.

3- Committee formation and selection of its members

Committee Size

The Committee shall be formed by the Board of Directors and shall be comprised of not less than three (3) or more than five (5) members of the Board, The Executive Committee may consist of both executive and non-executive members.

Reporting to the Board

The Executive Committee reports to the Board of Directors, Every meeting of the Committee should be followed by a minutes of meeting detailing the outcome of the meeting to the Board of Directors.

Rules for selecting committee members

There are a set of rules that the board of directors must take into account when selecting members of the executive committee, and whoever is appointed as a member of the executive committee is required to meet the following throughout the term of his membership in the committee:

- 1- The member of the Executive Committee must have an appropriate academic qualification and knowledge of the nature of the company's business.
- 2- To be a member of the company's board of directors.
- 3- That the member must have a good reputation and good conduct.

- 4- To refrain from engaging in any activity that may be in conflict with the interest of the company, or in competition with its business, or that may harm his ability to carry out his duties and responsibilities objectively.
- 5- To allocate an appropriate time to perform the tasks entrusted to him to perform as a member of the committee.
- 6- The member should have the appropriate technical, financial or administrative expertise.

Members Appointment

Members of the Committee shall be appointed of directors, upon the recommendation of the Nomination and Remuneration Committee by the Board, provided that obtaining Insurance Authority's prior no-objection on the nomination/appointment

And may be removed by the Board at its discretion. Also, the Committee members shall be subject to reappointment by the Board after an interval of three years.

Chairman Selection

One of the members shall serve as the Chairman of the Committee. The Chairman of the Committee shall be designated by the Board or as desired by the Board of Directors, if no such designation is made, shall be selected by the affirmative vote of the majority of the Committee.

provided that obtaining Insurance Authority's prior no-objection on the nomination/appointment of the Chairman of the committee

4- Membership term, mechanisms for appointing and relieving committee members, and vacant positions

- 1- Taking into consideration the rules for selecting members of the Executive Committee and the conditions that must be met by the members of the committee referred to above in these controls; The Board of Directors will compare between candidates for membership of the committee who meet the conditions, and the Board of Directors appoints the members of the committee for a period of three years (corresponding with the beginning and end of the Board of Directors' term) after obtaining a written no-objection from the Insurance Authority.

The Board of Directors shall take the necessary measures to enable the Committee to carry out the tasks entrusted to it.

- 2- The company's board of directors may exempt any member of the executive committee by a decision of the board in the following cases:
 - a- The member requested to be exempted from membership in the committee or to submit his resignation from the membership of the board of directors.
 - b- Abuse his position in the committee or misconduct that the board considers harmful to the objectives and reputation of the company in general and the committee in particular.
 - c- Absence from attending three consecutive meetings without an excuse accepted by the Board of Directors.
 - d- The member has lost any of the conditions that must be met by the member of the committee referred to above.
 - e- The member's violation of the provisions of the Cooperative Insurance Companies Control Law, its implementing regulations, or the provisions of other relevant regulations and instructions.
- 3- Upon the expiry of a member's term, during the term of the committee's work, due to death, resignation, disability or exemption, the Board of Directors, after obtaining the Insurance

Authority's no-objection in writing, appoints another member to fill the vacant position in the committee, and the new member completes his predecessor's term until the end of the committee's term Taking into account the conditions that must be met by the committee member.

5- Duties of a committee member

- 1- Regularly attending the committee's sessions and actively participating in its work
- 2- Preserving the company's secrets. A member of the committee may not disclose to the shareholders, other than in the general assembly, or to third parties, the company's secrets that came to his attention due to the performance of his work, otherwise he must change it, in addition to being held accountable for compensation for the damage that may result from that.
- 3- To exercise due diligence to carry out the work entrusted to him, and to keep abreast of recent developments related to the company's business.
- 4- To be characterized by justice and to display integrity, chastity, honesty, objectivity and independence when performing his work
- 5- To be free of personal interests, not to subject his judgment to the opinions of others, and not to disclose information that is not true.
- 6- The member shall not participate in any business or activities considered to be offensive to honor and honesty.
- 7- He shall not accept anything of significant value from an employee, affiliate, customer, supplier, or anyone who has a business relationship with the company that may lead to a weakness in the independence of the committee member in form and substance or affect or presumably affect his decisions.
- 8- To disclose to the Board of Directors the transactions that took place between him and the company and the nature of that relationship, as well as the relationship he has with the Board of Directors and the company's executive managers, in accordance with what is required by the code of conduct approved by the company.

6- Responsibilities of the Chairman of the Committee

The Chairman of the committee shall supervise the committee's achievement of all its tasks. The committee chairman shall have the following authorities:

- 1- Inviting the committee to convene and specifying the time, date and place of each committee meeting and the agenda, after coordination with the committee members.
- 2- Presiding over committee meetings.
- 3- Submitting the results and recommendations of the committee's work to the Board.
- 4- Preparing the committee's budget, its work plan, and its projects in the short and long term, in coordination with the committee's secretary, and presenting it to the committee in preparation for submitting it to the board of directors, after being approved by the committee.
- 5- When needed - Preparing periodic reports on the activities of the committee in coordination with the committee's secretary and presenting them to the committee in preparation for submission to the board of directors, after being approved by the committee. Copies of the committee's minutes are attached to these reports.
- 6- Representing the committee on the Board and in front of any other party that requires it.

7- Appointment of a secretary of the committee

- 1- The committee appoints a secretary from among the company's employees to undertake its administrative work, prepare minutes of its meetings, ensure that the committee chairman signs these minutes, and schedule committee meetings in coordination with its chairman.
- 2- The Insurance Authority's prior no-objection to the appointment of the committee Secretary should be obtained.
- 3- When choosing the committee secretary, it should be taken into account that he has the academic qualification and practical experience that enables him to carry out the tasks entrusted to him.
- 4- The secretary of the committee must document and keep the minutes of the committee's meetings in a special record for that.
- 5- The committee secretary must prepare a list of the committee's tasks and responsibilities and follow up on their implementation on a quarterly basis during the year with the committee chairman and members.

8- Committee Meetings

- 1- The Committee will meet at such times as shall be determined by its Chairman and its members, or upon the request of any two of its members.
- 2- The Executive Committee meets periodically and whenever the need arises, The Committee shall meet at least six (6) Meetings a year.
- 3- No one other than the Committee members and the committee Secretary shall be entitled to be present at a meeting of the Committee, but others may attend at the invitation of the Committee
- 4- The agenda of each meeting will be prepared by the Chairperson of the Committee and whenever reasonably possible, circulated to each member in an appropriate period prior to the meeting date.
- 5- The committee meeting shall not be held unless at least half of its members are present.
- 6- The Chairman will preside, when present, at all meetings of the Committee. And In case of his absence he will delegate a member to preside the meeting.
- 7- Each member of the Committee will have one vote. A majority of the members present at any meeting at which a quorum is present may act on behalf of the Committee.
- 8- The Committee will keep a record of its meetings and report on them to the Board.
- 9- The Committee may meet by telephone or video conference and may take action by unanimous written consent.

9- Committee decisions

- 1- The decisions and recommendations of the committee are issued by a majority vote of its members present, and in the event of equal votes, the side with the chairman shall prevail.
- 2- Any member may reserve any decision taken by the committee, provided that he states the reasons that led him to reserve. If any member leaves the committee meeting before its conclusion, his reservation, if any, is limited to the decisions related to the items he attended for discussion, provided that he states in the minutes the items he did not attend the discussion if he expresses his desire in writing.
- 3- The committee secretary must record the opinions of all parties in the minutes of the meeting.

10- Documenting the minutes of the committee's meetings:

The minutes of the committee's meetings are documented as follows:

- 1- During the meeting, the Secretary of the Committee records the most important discussions and upon completion of the discussion of any topic, he summarizes the recommendations or decisions reached.
- 2- The Secretary of the Committee shall prepare for each of the Committee's meetings a draft minutes in which the date and place of the meeting, the names of those present and absent, a summary of the discussions and the texts of recommendations and decisions reached by the Committee shall be written and presented to the members of the Committee for approval.
- 3- The minutes of the meeting must be prepared and sent to the members within 15 days from the date of the meeting.
- 4- The signed copy of the minutes shall be kept in a special file and all documents related to the minutes shall be attached to it.

11- The Committee's plan and annual report to the Board of Directors and the Committee's evaluation

- 1- The committee shall prepare, before the beginning of each year, an annual plan that includes a timetable for the committee's meetings and a description of the work it will undertake during the year.
- 2- The committee must submit an annual report to the board of directors stating the number of committee meetings, the accomplished tasks assigned to the committee, what has not been accomplished, the reason for that, and the obstacles facing the committee in its work.
- 3- The Board of Directors, through the Nominations and Remunerations Committee or with the assistance of an external evaluation body, conducts the annual evaluation of the Committee and the Chairman and members of the Committee.

12- Committee's Scope of Work

In discharging its oversight role, the Committee is empowered to investigate any matter brought to its attention with full access to all books, records, facilities and personnel of the Company and the power to retain outside legal counsel, auditors or consultants, or incur other expenses for this purpose, which expenses the Company shall pay. The Committee may also meet with the Company's investment bankers or financial analysts who follow the Company. The Committee may require any officer or employee of the Company or any of its subsidiaries, the Company's outside legal counsel, and the Company's external auditors to meet with the Committee or any member of the Committee.

The Board of Directors shall take all necessary measures to ensure that the Committee performs its duties.

13- Committee Members’ Remuneration

The committee members are entitled to annual Remuneration for their membership in the committee, if the eligibility requirements have been fulfilled by the member.

The committee, members’ remuneration shall be as per the Board resolution, based on Nomination & Remuneration committee recommendation, Board Members and committees’ Remuneration Policies which is approved by the General Assembly, and provided within the parameters allowed by the law and regulations of Saudi Arabia.

14- Review & Amendments

The Committee shall develop, implement and review its own Charter annually and shall thereafter recommend its revised Charter for the Board’s approval. The Board in return raises the charter to be approved in General Assembly meeting (in case the changes is required)

Policy review

Name	Ver.	date	responsibility
Executive Committee Charter	1.03	28/04/2024	Board of Directors

Executive Committee Approval

Name	Position	Signature
Abdulaziz Ali Alturki	Committee Chairman	

Board of Directors Approval

Name	Position	Signature
Abdulaziz Ali Alturki	BOD Chairman	

General Assembly Approval

General Assembly	Date
Ordinary General Assembly Meeting	04/06/2024



After

Amendments

Executive Committee Regulation and Charter



إتحاد الخليج الأهلية للتأمين التعاوني
GULF UNION AL AHLIA COOPERATIVE INSURANCE

Executive Committee Charter / Regulation

**Controls regulating the work of the Executive Committee,
The Role and Responsibilities of the committee, and the rules
and controls for its formation and selection of its members**

About the Company

Gulf Union Al Ahlia Cooperative Insurance Company is a Saudi public joint stock company whose license was approved by Ministerial Resolution No. (233) dated 16 Ramadan 1427 AH corresponding to October 9, 2006 AD and by Royal Decree No. (M/60) dated 9/18/1427 AH (corresponding to October 9, 2006 AD) October 11, 2006 AD (and was established by Ministerial Resolution No. 196/Q on 7/22/1428 corresponding to 05/08/2007)

The company obtained a license to practice insurance activity No. (TMN/09/20079), dated 29/08/1428 AH, issued by the Insurance Authority in the following branches (general insurance - medical insurance - protection and savings insurance)

The company is under the supervision and control of the Insurance Authority

Introduction

Gulf Union Al Ahlia Cooperative Insurance Company aims to establish the best Governance standards and practices and apply the company's corporate governance rules.

In compliance with the relevant laws, regulations and instructions, the company has established the executive committee charter, which contains the controls regulating the work of the executive committee, the role and responsibilities of the committee, the rules and controls for its formation, the selection of committee members, its meetings, and the rewards of its members in accordance with the relevant laws and regulations.

1- Purpose

The purpose of the Executive Committee (the "Committee") of the Board of Directors (the "Board") of Gulf Union Al Ahlia Cooperative Insurance Co. (The "Company" or "GUAI") is to assist the Board in performing activities and tasks as delegated to it by the Board of Directors, in order to facilitate smooth operations of the Company.

2- Committee Responsibilities

The following functions shall be the common recurring activities of the Committee in performing its responsibilities. These functions are set forth as a guide with the understanding that the Company may diverge from this guide as appropriate given the circumstances.

The committee Roles and Responsibilities for example but not limited to the following:

- The Committee shall assist the Board in performing activities and tasks as delegated to it by the Board of Directors, in order to facilitate smooth operations of the Company.
- The Committee shall assist the Board in the development of the Company's major strategic goals, Board should study and approve these goals.
- The Committee shall assist the Board in conducting a strategic review of the Company's performance on a regular basis to determine whether the Company is meeting its short and long term objectives.
- The Committee shall monitor the financial and operating performance of the Company.
- Studying and discussing the CEO's reports, and presenting the necessary recommendations to the Board of Directors regarding them.
- Assisting the Board of Directors in implementing the decisions of the General Assembly and the decisions of the Board of Directors
- The Committee shall be responsible for the formation or restructuring of any joint venture or partnership including any associated expenditure.

- The Committee shall recommend mergers or consolidations in the course of reorganizing the Company which will be referred to the Board in a confidential manner.
- The Committee shall review the capability of the business partner/developers involved in projects undertaken by GUCIC.
- The Committee shall have the powers and authority of the Board in performing and approving activities empowered to it by the Board except the following:
 - Approving the annual budget;
 - Approving the periodic and annual financial reports; and
 - Approving the Company's business strategies.
- The Recommendations resolutions of the Committee shall be reported to the Board of Directors at their next meeting.
- The Committee shall have authority to retain consultants and other advisors as it is deemed necessary to carry out its duties.
- The Committee shall review and make appropriate recommendations to the Board with regards to the Company's management of its corporate social responsibilities related to employees, community and environment.
- The Committee shall monitor compliance with the Company's corporate social responsibility policies.
- The Committee shall identify, in conjunction with management, significant social and environmental risk areas and evaluate the proper management of such areas.
- The Committee shall ensure that the Company maintains dialogue with all relevant stakeholder groups with regard to corporate social responsibility issues.
- The Committee shall perform such other activities as the Board may assign to the Committee from time to time.
- The Committee shall make this charter available on the Company's website.

3- Committee formation and selection of its members

Committee Size

The Committee shall be formed by the Board of Directors and shall be comprised of not less than three (3) or more than five (5) members ~~of the Board~~, The Executive Committee may consist of both executive and non-executive members.

Reporting to the Board

The Executive Committee reports to the Board of Directors, Every meeting of the Committee should be followed by a minutes of meeting detailing the outcome of the meeting to the Board of Directors.

Rules for selecting committee members

There are a set of rules that the board of directors must take into account when selecting members of the executive committee, and whoever is appointed as a member of the executive committee is required to meet the following throughout the term of his membership in the committee:

1- The member of the Executive Committee must have an appropriate academic qualification and knowledge of the nature of the company's business.

~~2- To be a member of the company's board of directors.~~

~~3-2-~~ That the member must have a good reputation and good conduct.

- ~~4-3-~~ To refrain from engaging in any activity that may be in conflict with the interest of the company, or in competition with its business, or that may harm his ability to carry out his duties and responsibilities objectively.
- ~~5-4-~~ To allocate an appropriate time to perform the tasks entrusted to him to perform as a member of the committee.
- ~~6-5-~~ The member should have the appropriate technical, financial or administrative expertise.

Members Appointment

Members of the Committee shall be appointed by the Board of directors, upon the recommendation of the Nomination and Remuneration Committee, Wherever the Committee is lawfully convened and discharging its functions, by the Board, provided that obtaining Insurance Authority's prior no-objection on the nomination/appointment

The committee may include members from outside the board of directors

And may be removed by the Board at its discretion. Also, the Committee members shall be subject to reappointment by the Board after an interval of ~~three~~ Four years.

Chairman Selection

One of the members shall serve as the Chairman of the Committee. The Chairman of the Committee shall be designated by the Board or as desired by the Board of Directors, if no such designation is made, shall be selected by the affirmative vote of the majority of the Committee.

provided that obtaining Insurance Authority's prior no-objection on the nomination/appointment of the Chairman of the committee

4- Membership term, mechanisms for appointing and relieving committee members, and vacant positions

- 1- Taking into consideration the rules for selecting members of the Executive Committee and the conditions that must be met by the members of the committee referred to above in these controls; The Board of Directors will compare between candidates for membership of the committee who meet the conditions, and the Board of Directors appoints the members of the committee for a period of ~~three~~ Four years (corresponding with the beginning and end of the Board of Directors' term) after obtaining a written no-objection from the Insurance Authority.

The Board of Directors shall take the necessary measures to enable the Committee to carry out the tasks entrusted to it.

- 2- The company's board of directors may exempt any member of the executive committee by a decision of the board in the following cases:
 - a- The member requested to be exempted from membership in the committee or to submit his resignation from the membership of the board of directors.
 - b- Abuse his position in the committee or misconduct that the board considers harmful to the objectives and reputation of the company in general and the committee in particular.
 - c- Absence from attending three consecutive meetings without an excuse accepted by the Board of Directors.
 - d- The member has lost any of the conditions that must be met by the member of the committee referred to above.
 - e- The member's violation of the provisions of the Cooperative Insurance Companies Control Law, its implementing regulations, or the provisions of other relevant regulations and instructions.

- 3- Upon the expiry of a member's term, during the term of the committee's work, due to death, resignation, disability or exemption, the Board of Directors, after obtaining the Insurance Authority's no-objection in writing, appoints another member to fill the vacant position in the committee, and the new member completes his predecessor's term until the end of the committee's term Taking into account the conditions that must be met by the committee member.

5- Duties of a committee member

- 1- Regularly attending the committee's sessions and actively participating in its work
- 2- Preserving the company's secrets. A member of the committee may not disclose to the shareholders, other than in the general assembly, or to third parties, the company's secrets that came to his attention due to the performance of his work, otherwise he must change it, in addition to being held accountable for compensation for the damage that may result from that.
- 3- To exercise due diligence to carry out the work entrusted to him, and to keep abreast of recent developments related to the company's business.
- 4- To be characterized by justice and to display integrity, chastity, honesty, objectivity and independence when performing his work
- 5- To be free of personal interests, not to subject his judgment to the opinions of others, and not to disclose information that is not true.
- 6- The member shall not participate in any business or activities considered to be offensive to honor and honesty.
- 7- He shall not accept anything of significant value from an employee, affiliate, customer, supplier, or anyone who has a business relationship with the company that may lead to a weakness in the independence of the committee member in form and substance or affect or presumably affect his decisions.
- 8- To disclose to the Board of Directors the transactions that took place between him and the company and the nature of that relationship, as well as the relationship he has with the Board of Directors and the company's executive managers, in accordance with what is required by the code of conduct approved by the company.

6- Responsibilities of the Chairman of the Committee

The Chairman of the committee shall supervise the committee's achievement of all its tasks. The committee chairman shall have the following authorities:

- 1- Inviting the committee to convene and specifying the time, date and place of each committee meeting and the agenda, after coordination with the committee members.
- 2- Presiding over committee meetings.
- 3- Submitting the results and recommendations of the committee's work to the Board.
- 4- Preparing the committee's budget, its work plan, and its projects in the short and long term, in coordination with the committee's secretary, and presenting it to the committee in preparation for submitting it to the board of directors, after being approved by the committee.
- 5- When needed - Preparing periodic reports on the activities of the committee in coordination with the committee's secretary and presenting them to the committee in preparation for submission to the board of directors, after being approved by the committee. Copies of the committee's minutes are attached to these reports.
- 6- Representing the committee on the Board and in front of any other party that requires it.

7- Appointment of a secretary of the committee

- 1- The committee appoints a secretary from among the company's employees to undertake its administrative work, prepare minutes of its meetings, ensure that the committee chairman signs these minutes, and schedule committee meetings in coordination with its chairman.
- 2- The Insurance Authority's prior no-objection to the appointment of the committee Secretary should be obtained.
- 3- When choosing the committee secretary, it should be taken into account that he has the academic qualification and practical experience that enables him to carry out the tasks entrusted to him.
- 4- The secretary of the committee must document and keep the minutes of the committee's meetings in a special record for that.
- 5- The committee secretary must prepare a list of the committee's tasks and responsibilities and follow up on their implementation on a quarterly basis during the year with the committee chairman and members.

8- Committee Meetings

- 1- The Committee will meet at such times as shall be determined by its Chairman and its members, or upon the request of any two of its members.
- 2- The Executive Committee meets periodically and whenever the need arises, The Committee shall meet at least six (6) Meetings a year.
- 3- No one other than the Committee members and the committee Secretary shall be entitled to be present at a meeting of the Committee, but others may attend at the invitation of the Committee
- 4- The agenda of each meeting will be prepared by the Chairperson of the Committee with the assistance of the Committee Secretary and whenever reasonably possible, circulated with the related documents to each member in an appropriate period prior to the meeting date in compliance with the regulatory periods.
- 5- The committee meeting shall not be held unless at least half of its members are present.
- 6- The Chairman will preside, when present, at all meetings of the Committee. And In case of his absence he will delegate a member to preside the meeting.
- 7- Each member of the Committee will have one vote. A majority of the members present at any meeting at which a quorum is present may act on behalf of the Committee.
- 8- The Committee will keep a record of its meetings and report on them to the Board.
- 9- The Committee may meet by telephone or video conference and may take action by unanimous written consent.

9- Committee decisions

- 1- The decisions and recommendations of the committee are issued by a majority vote of its members present, and in the event of equal votes, the side with the chairman shall prevail.
- 2- Any member may reserve any decision taken by the committee, provided that he states the reasons that led him to reserve. If any member leaves the committee meeting before its conclusion, his reservation, if any, is limited to the decisions related to the items he attended for discussion, provided that he states in the minutes the items he did not attend the discussion if he expresses his desire in writing.

- 3- The committee secretary must record the opinions of all parties in the minutes of the meeting.

10- Documenting the minutes of the committee's meetings:

The minutes of the committee's meetings are documented as follows:

- 1- During the meeting, the Secretary of the Committee records the most important discussions and upon completion of the discussion of any topic, he summarizes the recommendations or decisions reached.
- 2- The Secretary of the Committee shall prepare for each of the Committee's meetings a draft minutes in which the date and place of the meeting, the names of those present and absent, a summary of the discussions and the texts of recommendations and decisions reached by the Committee shall be written and presented to the members of the Committee for approval.
- 3- The minutes of the meeting must be prepared and sent to the members within 15 days from the date of the meeting.
- 4- The signed copy of the minutes shall be kept in a special file and all documents related to the minutes shall be attached to it.

11- The Committee's plan and annual report to the Board of Directors and the Committee's evaluation

- 1- The committee shall prepare, before the beginning of each year, an annual plan that includes a timetable for the committee's meetings and a description of the work it will undertake during the year.
- 2- The committee must submit an annual report to the board of directors stating the number of committee meetings, the accomplished tasks assigned to the committee, what has not been accomplished, the reason for that, and the obstacles facing the committee in its work.
- 3- The Board of Directors, through the Nominations and Remunerations Committee or with the assistance of an external evaluation body, conducts the annual evaluation of the Committee and the Chairman and members of the Committee.

12- Committee's Scope of Work

In discharging its oversight role, the Committee is empowered to investigate any matter brought to its attention with full access to all books, records, facilities and personnel of the Company and the power to retain outside legal counsel, auditors or consultants, or incur other expenses for this purpose, which expenses the Company shall pay. The Committee may also meet with the Company's investment bankers or financial analysts who follow the Company. The Committee may require any officer or employee of the Company or

any of its subsidiaries, the Company's outside legal counsel, and the Company's external auditors to meet with the Committee or any member of the Committee.

The Board of Directors shall take all necessary measures to ensure that the Committee performs its duties.

13- Committee Members' Remuneration

The committee members are entitled to annual Remuneration for their membership in the committee, if the eligibility requirements have been fulfilled by the member.

The committee, members' remuneration shall be as per the Board resolution, based on Nomination & Remuneration committee recommendation, Board Members and committees' Remuneration Policies which is approved by the General Assembly, and provided within the parameters allowed by the law and regulations of Saudi Arabia.

14- Review & Amendments

The Committee shall develop, implement and review its own Charter annually and shall thereafter recommend its revised Charter for the Board's approval. The Board in return raises the charter to be approved in General Assembly meeting (in case the changes is required)

Policy review

Name	Ver.	date	responsibility
Executive Committee Charter	1.03 1.04	28/04/2024	Board of Directors

Executive Committee Approval

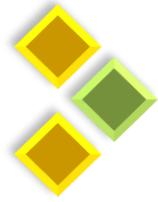
Name	Position	Signature
Abdulaziz Ali Alturki	Committee Chairman	

Board of Directors Approval

Name	Position	Signature
Abdulaziz Ali Alturki	BOD Chairman	

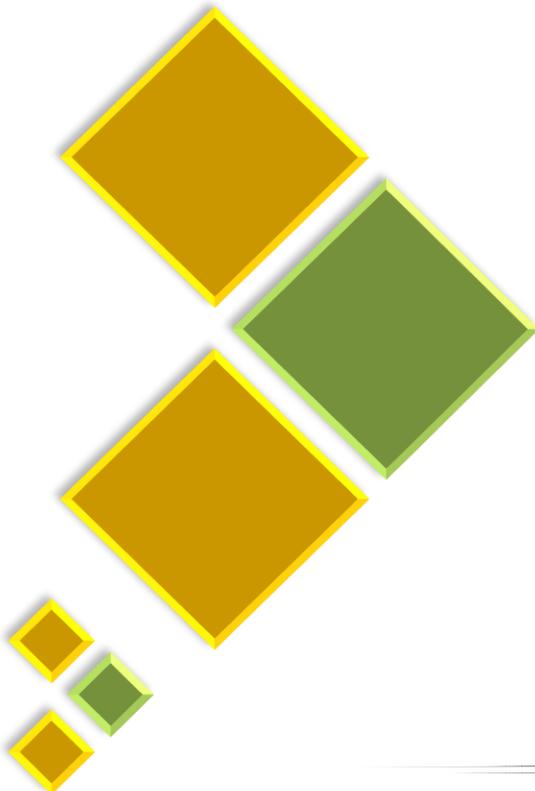
General Assembly Approval

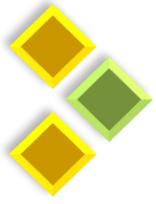
General Assembly	Date
Ordinary General Assembly Meeting	04/06/2024



Agenda Item # 5

**Voting on amending the Investment Committee
Regulation and Charter (Attached).**





Before

Amendments

Investment Committee Regulation and Charter



إتحاد الخليج الأهلية للتأمين التعاوني
GULF UNION AL AHLIA COOPERATIVE INSURANCE

Investment Committee Charter / Regulation

**Controls regulating the work of the Investment Committee,
The Role and Responsibilities of the committee, and the rules
and controls for its formation and selection of its members**

About the Company

Gulf Union Al Ahlia Cooperative Insurance Company is a Saudi public joint stock company whose license was approved by Ministerial Resolution No. (233) dated 16 Ramadan 1427 AH corresponding to October 9, 2006 AD and by Royal Decree No. (M/60) dated 9/18/1427 AH (corresponding to October 9, 2006 AD) October 11, 2006 AD (and was established by Ministerial Resolution No. 196/Q on 7/22/1428 corresponding to 05/08/2007)

The company obtained a license to practice insurance activity No. (TMN/09/20079), dated 29/08/1428 AH, issued by the Insurance Authority in the following branches (general insurance - medical insurance - protection and savings insurance)

The company is under the supervision and control of the Insurance Authority

Introduction

Gulf Union Al Ahlia Cooperative Insurance Company aims to establish the best Governance standards and practices and apply the company's corporate governance rules.

In compliance with the relevant laws, regulations and instructions, the company has established the Investment committee charter, which contains the controls regulating the work of the Investment committee, the role and responsibilities of the committee, the rules and controls for its formation, the selection of committee members, its meetings, and the rewards of its members in accordance with the relevant laws and regulations.

1- Purpose

The purpose of the Investment Committee (the “Committee”) of the Board of Directors (the “Board”) of Gulf Union Al Ahlia Cooperative Insurance Co. (the “Company”) is to assist the Board in developing investment policies and strategies, approving and supervising investment transactions, and monitoring investment performance of the Company against the defined strategies, laws and regulations. The Investment committee formulates the overall investment policies of the Company, subject to approval by the Board, and establish investment guidelines in furtherance of those policies.

2- Committee Responsibilities

The Committee has the following duties and responsibilities:

- Formulating the investment policy and reviewing its implementation on a quarterly basis
- Recommending to the Board different investment opportunities
- Reviewing the performance of each asset class
- Monitoring the overall risks of the investment policy
- Submitting a performance review report to the Board of Directors
- Ensuring the compliance of all investment activities with the requirements of the Investment Regulation issued by Insurance Authority and any other applicable laws and regulations

3- Committee formation and selection of its members

Committee Size

The Committee shall be formed by the Board of Directors and shall be comprised of not less than three (3) members, The Investment Committee may consist of executive, Independents and non-executive members.

Reporting to the Board

The Investment Committee reports to the Board of Directors, Every meeting of the Committee should be followed by a minutes of meeting detailing the outcome of the meeting to the Board of Directors.

Rules for selecting committee members

There are a set of rules that the board of directors must take into account when selecting members of the Investment committee, and whoever is appointed as a member of the investment committee is required to meet the following throughout the term of his membership in the committee:

- 1- The member of the Investment Committee must have an appropriate academic qualification and knowledge of the nature of the company's business.
- 2- That the member must have a good reputation and good conduct.
- 3- To refrain from engaging in any activity that may be in conflict with the interest of the company, or in competition with its business, or that may harm his ability to carry out his duties and responsibilities objectively.
- 4- To allocate an appropriate time to perform the tasks entrusted to him to perform as a member of the committee.
- 5- The member should have the appropriate technical, financial or administrative expertise.

Members Appointment

Members of the Committee shall be appointed by Board of directors, upon the recommendation of the Nomination and Remuneration Committee, provided that obtaining Insurance Authority's prior no-objection on the nomination/appointment, The committee may include members from outside the board of directors

And may be removed by the Board at its discretion. Also, the Committee members shall be subject to reappointment by the Board after an interval of three years.

Chairman Selection

One of the non-Executive members shall serve as the Chairman of the Committee. The Chairman of the Committee shall be designated by the Board or as desired by the Board of Directors, if no such designation is made, shall be selected by the affirmative vote of the majority of the Committee.

provided that obtaining Insurance Authority's prior no-objection on the nomination/appointment of the Chairman of the committee

4- Membership term, mechanisms for appointing and relieving committee members, and vacant positions

- 1- Taking into consideration the rules for selecting members of the Investment Committee and the conditions that must be met by the members of the committee referred to above in these controls; The Board of Directors will compare between candidates for membership of the committee who meet the conditions, and the Board of Directors appoints the members of the committee for a period

of three years (corresponding with the beginning and end of the Board of Directors' term) after obtaining a written no-objection from the Insurance Authority.

The Board of Directors shall take the necessary measures to enable the Committee to carry out the tasks entrusted to it.

- 2- The company's board of directors may exempt any member of the Investment committee by a decision of the board in the following cases:
 - a- The member requested to be exempted from membership in the committee or to submit his resignation from the membership of the board of directors.
 - b- Abuse his position in the committee or misconduct that the board considers harmful to the objectives and reputation of the company in general and the committee in particular.
 - c- Absence from attending three consecutive meetings without an excuse accepted by the Board of Directors.
 - d- The member has lost any of the conditions that must be met by the member of the committee referred to above.
 - e- The member's violation of the provisions of the Cooperative Insurance Companies Control Law, its implementing regulations, or the provisions of other relevant regulations and instructions.
- 3- Upon the expiry of a member's term, during the term of the committee's work, due to death, resignation, disability or exemption, the Board of Directors, after obtaining the Insurance Authority's no-objection in writing, appoints another member to fill the vacant position in the committee, and the new member completes his predecessor's term until the end of the committee's term Taking into account the conditions that must be met by the committee member.

5- Duties of a committee member

- 1- Regularly attending the committee's sessions and actively participating in its work
- 2- Preserving the company's secrets. A member of the committee may not disclose to the shareholders, other than in the general assembly, or to third parties, the company's secrets that came to his attention due to the performance of his work, otherwise he must change it, in addition to being held accountable for compensation for the damage that may result from that.
- 3- To exercise due diligence to carry out the work entrusted to him, and to keep abreast of recent developments related to the company's business.
- 4- To be characterized by justice and to display integrity, chastity, honesty, objectivity and independence when performing his work
- 5- To be free of personal interests, not to subject his judgment to the opinions of others, and not to disclose information that is not true.
- 6- The member shall not participate in any business or activities considered to be offensive to honor and honesty.
- 7- He shall not accept anything of significant value from an employee, affiliate, customer, supplier, or anyone who has a business relationship with the company that may lead to a weakness in the independence of the committee member in form and substance or affect or presumably affect his decisions.
- 8- To disclose to the Board of Directors the transactions that took place between him and the company and the nature of that relationship, as well as the relationship he has with the Board of Directors and the company's executive managers, in accordance with what is required by the code of conduct approved by the company.

6- Responsibilities of the Chairman of the Committee

The Chairman of the committee shall supervise the committee's achievement of all its tasks. The committee chairman shall have the following authorities:

- 1- Inviting the committee to convene and specifying the time, date and place of each committee meeting and the agenda, after coordination with the committee members.
- 2- Presiding over committee meetings.
- 3- Submitting the results and recommendations of the committee's work to the Board.
- 4- Preparing the committee's budget, its work plan, and its projects in the short and long term, in coordination with the committee's secretary, and presenting it to the committee in preparation for submitting it to the board of directors, after being approved by the committee.
- 5- When needed - Preparing periodic reports on the activities of the committee in coordination with the committee's secretary and presenting them to the committee in preparation for submission to the board of directors, after being approved by the committee. Copies of the committee's minutes are attached to these reports.
- 6- Representing the committee on the Board and in front of any other party that requires it.

7- Appointment of a secretary of the committee

- 1- The committee appoints a secretary from among the company's employees to undertake its administrative work, prepare minutes of its meetings, ensure that the committee chairman signs these minutes, and schedule committee meetings in coordination with its chairman.
- 2- The Insurance Authority's prior no-objection to the appointment of the committee Secretary should be obtained.
- 3- When choosing the committee secretary, it should be taken into account that he has the academic qualification and practical experience that enables him to carry out the tasks entrusted to him.
- 4- The secretary of the committee must document and keep the minutes of the committee's meetings in a special record for that.
- 5- The committee secretary must prepare a list of the committee's tasks and responsibilities and follow up on their implementation on a quarterly basis during the year with the committee chairman and members.

8- Committee Meetings

- 1- The Committee will meet at such times as shall be determined by its Chairman and its members, or upon the request of any two of its members.
- 2- The Investment Committee meets periodically and whenever the need arises, The Committee shall meet at least four (4) Meetings a year.
- 3- No one other than the Committee members and the committee Secretary shall be entitled to be present at a meeting of the Committee, but others may attend at the invitation of the Committee
- 4- The agenda of each meeting will be prepared by the Chairperson of the Committee and whenever reasonably possible, circulated to each member in an appropriate period prior to the meeting date.
- 5- The committee meeting shall not be held unless at least half of its members are present.

- 6- The Chairman will preside, when present, at all meetings of the Committee. And In case of his absence he will delegate a member to preside the meeting.
- 7- The Committee will keep a record of its meetings and report on them to the Board.
- 8- The Committee may meet by telephone or video conference and may take action by unanimous written consent.

9- Committee decisions

- 1- The decisions and recommendations of the committee are issued by a majority vote of its members present, and in the event of equal votes, the side with the chairman shall prevail.
- 2- Any member may reserve any decision taken by the committee, provided that he states the reasons that led him to reserve. If any member leaves the committee meeting before its conclusion, his reservation, if any, is limited to the decisions related to the items he attended for discussion, provided that he states in the minutes the items he did not attend the discussion if he expresses his desire in writing.
- 3- The committee secretary must record the opinions of all parties in the minutes of the meeting.

10- Documenting the minutes of the committee's meetings:

The minutes of the committee's meetings are documented as follows:

- 1- During the meeting, the Secretary of the Committee records the most important discussions and upon completion of the discussion of any topic, he summarizes the recommendations or decisions reached.
- 2- The Secretary of the Committee shall prepare for each of the Committee's meetings a draft minutes in which the date and place of the meeting, the names of those present and absent, a summary of the discussions and the texts of recommendations and decisions reached by the Committee shall be written and presented to the members of the Committee for approval.
- 3- The minutes of the meeting must be prepared and sent to the members within 15 days from the date of the meeting.
- 4- The signed copy of the minutes shall be kept in a special file and all documents related to the minutes shall be attached to it.

11- The Committee's plan and annual report to the Board of Directors and the Committee's evaluation

- 1- The committee shall prepare, before the beginning of each year, an annual plan that includes a timetable for the committee's meetings and a description of the work it will undertake during the year.
- 2- The committee must submit an annual report to the board of directors stating the number of committee meetings, the accomplished tasks assigned to the committee, what has not been accomplished, the reason for that, and the obstacles facing the committee in its work.
- 3- The Board of Directors, through the Nominations and Remunerations Committee or with the assistance of an external evaluation body, conducts the annual evaluation of the Committee and the Chairman and members of the Committee.

12- Committee’s Scope of Work

In discharging its oversight role, the Committee is empowered to investigate any matter brought to its attention with full access to all books, records, facilities and personnel of the Company and the power to retain outside legal counsel, auditors or consultants, or incur other expenses for this purpose, which expenses the Company shall pay. The Committee may also meet with the Company’s investment bankers or financial analysts who follow the Company. The Committee may require any officer or employee of the Company or any of its subsidiaries, the Company’s outside legal counsel, and the Company’s external auditors to meet with the Committee or any member of the Committee.

The Board of Directors shall take all necessary measures to ensure that the Committee performs its duties.

13- Committee Members’ Remuneration

The committee members are entitled to annual Remuneration for their membership in the committee, if the eligibility requirements have been fulfilled by the member.

The committee, members’ remuneration shall be as per the Board resolution, based on Nomination & Remuneration committee recommendation, Board Members and committees’ Remuneration Policies which is approved by the General Assembly, and provided within the parameters allowed by the law and regulations of Saudi Arabia.

14- Review & Amendments

The Committee shall develop, implement and review its own Charter annually and shall thereafter recommend its revised Charter for the Board’s approval. The Board in return raises the charter to be approved in General Assembly meeting (in case the changes is required)

Policy review

Name	Ver.	date	responsibility
Investment Committee Charter	1.03	28/04/2024	Board of Directors

Investment Committee Approval

Name	Position	Signature
Abdulaziz Al Naim	Committee Chairman	

Board of Directors Approval

Name	Position	Signature
Abdulaziz Ali Alturki	BOD Chairman	

General Assembly Approval

General Assembly	Date
Ordinary General Assembly Meeting	04/06/2024



After

Amendments

Investment Committee Regulation and Charter



إتحاد الخليج الأهلية للتأمين التعاوني
GULF UNION AL AHLIA COOPERATIVE INSURANCE

Investment Committee Charter / Regulation

**Controls regulating the work of the Investment Committee,
The Role and Responsibilities of the committee, and the rules
and controls for its formation and selection of its members**

About the Company

Gulf Union Al Ahlia Cooperative Insurance Company is a Saudi public joint stock company whose license was approved by Ministerial Resolution No. (233) dated 16 Ramadan 1427 AH corresponding to October 9, 2006 AD and by Royal Decree No. (M/60) dated 9/18/1427 AH (corresponding to October 9, 2006 AD) October 11, 2006 AD (and was established by Ministerial Resolution No. 196/Q on 7/22/1428 corresponding to 05/08/2007)

The company obtained a license to practice insurance activity No. (TMN/09/20079), dated 29/08/1428 AH, issued by the Insurance Authority in the following branches (general insurance - medical insurance - protection and savings insurance)

The company is under the supervision and control of the Insurance Authority

Introduction

Gulf Union Al Ahlia Cooperative Insurance Company aims to establish the best Governance standards and practices and apply the company's corporate governance rules.

In compliance with the relevant laws, regulations and instructions, the company has established the Investment committee charter, which contains the controls regulating the work of the Investment committee, the role and responsibilities of the committee, the rules and controls for its formation, the selection of committee members, its meetings, and the rewards of its members in accordance with the relevant laws and regulations.

1- Purpose

The purpose of the Investment Committee (the “Committee”) of the Board of Directors (the “Board”) of Gulf Union Al Ahlia Cooperative Insurance Co. (the “Company”) is to assist the Board in developing investment policies and strategies, approving and supervising investment transactions, and monitoring investment performance of the Company against the defined strategies, laws and regulations. The Investment committee formulates the overall investment policies of the Company, subject to approval by the Board, and establish investment guidelines in furtherance of those policies.

2- Committee Responsibilities

The Committee has the following duties and responsibilities:

- Formulating the investment policy and reviewing its implementation on a quarterly basis
- Recommending to the Board different investment opportunities
- Reviewing the performance of each asset class
- Monitoring the overall risks of the investment policy
- Submitting a performance review report to the Board of Directors
- Ensuring the compliance of all investment activities with the requirements of the Investment Regulation issued by Insurance Authority and any other applicable laws and regulations

3- Committee formation and selection of its members

Committee Size

The Committee shall be formed by the Board of Directors and shall be comprised of not less than three (3) members and no more than five (5), The Investment Committee may consist of executive, Independents and non-executive members.

Reporting to the Board

The Investment Committee reports to the Board of Directors, Every meeting of the Committee should be followed by a minutes of meeting detailing the outcome of the meeting to the Board of Directors.

Rules for selecting committee members

There are a set of rules that the board of directors must take into account when selecting members of the Investment committee, and whoever is appointed as a member of the investment committee is required to meet the following throughout the term of his membership in the committee:

- 1- The member of the Investment Committee must have an appropriate academic qualification and knowledge of the nature of the company's business.
- 2- That the member must have a good reputation and good conduct.
- 3- To refrain from engaging in any activity that may be in conflict with the interest of the company, or in competition with its business, or that may harm his ability to carry out his duties and responsibilities objectively.
- 4- To allocate an appropriate time to perform the tasks entrusted to him to perform as a member of the committee.
- 5- The member should have the appropriate technical, financial or administrative expertise.

Members Appointment

Members of the Committee shall be appointed by Board of directors, upon the recommendation of the Nomination and Remuneration Committee, Wherever the Committee is lawfully convened and discharging its functions, provided that obtaining Insurance Authority's prior no-objection on the nomination/appointment, The committee may include members from outside the board of directors And may be removed by the Board at its discretion. Also, the Committee members shall be subject to reappointment by the Board after an interval of ~~three~~-Four years.

Chairman Selection

One of the non-Executive members shall serve as the Chairman of the Committee. The Chairman of the Committee shall be designated by the Board or as desired by the Board of Directors, if no such designation is made, shall be selected by the affirmative vote of the majority of the Committee.
provided that obtaining Insurance Authority's prior no-objection on the nomination/appointment of the Chairman of the committee

4- Membership term, mechanisms for appointing and relieving committee members, and vacant positions

- 1- Taking into consideration the rules for selecting members of the Investment Committee and the conditions that must be met by the members of the committee referred to above in these controls; The Board of Directors will compare between candidates for membership of the committee who meet the conditions, and the Board of Directors appoints the members of the committee for a period

of ~~three~~ **Four** years (corresponding with the beginning and end of the Board of Directors' term) after obtaining a written no-objection from the Insurance Authority.

The Board of Directors shall take the necessary measures to enable the Committee to carry out the tasks entrusted to it.

- 2- The company's board of directors may exempt any member of the Investment committee by a decision of the board in the following cases:
 - a- The member requested to be exempted from membership in the committee or to submit his resignation from the membership of the board of directors.
 - b- Abuse his position in the committee or misconduct that the board considers harmful to the objectives and reputation of the company in general and the committee in particular.
 - c- Absence from attending three consecutive meetings without an excuse accepted by the Board of Directors.
 - d- The member has lost any of the conditions that must be met by the member of the committee referred to above.
 - e- The member's violation of the provisions of the Cooperative Insurance Companies Control Law, its implementing regulations, or the provisions of other relevant regulations and instructions.
- 3- Upon the expiry of a member's term, during the term of the committee's work, due to death, resignation, disability or exemption, the Board of Directors, after obtaining the Insurance Authority's no-objection in writing, appoints another member to fill the vacant position in the committee, and the new member completes his predecessor's term until the end of the committee's term Taking into account the conditions that must be met by the committee member.

5- Duties of a committee member

- 1- Regularly attending the committee's sessions and actively participating in its work
- 2- Preserving the company's secrets. A member of the committee may not disclose to the shareholders, other than in the general assembly, or to third parties, the company's secrets that came to his attention due to the performance of his work, otherwise he must change it, in addition to being held accountable for compensation for the damage that may result from that.
- 3- To exercise due diligence to carry out the work entrusted to him, and to keep abreast of recent developments related to the company's business.
- 4- To be characterized by justice and to display integrity, chastity, honesty, objectivity and independence when performing his work
- 5- To be free of personal interests, not to subject his judgment to the opinions of others, and not to disclose information that is not true.
- 6- The member shall not participate in any business or activities considered to be offensive to honor and honesty.
- 7- He shall not accept anything of significant value from an employee, affiliate, customer, supplier, or anyone who has a business relationship with the company that may lead to a weakness in the independence of the committee member in form and substance or affect or presumably affect his decisions.
- 8- To disclose to the Board of Directors the transactions that took place between him and the company and the nature of that relationship, as well as the relationship he has with the Board of Directors and the company's executive managers, in accordance with what is required by the code of conduct approved by the company.

6- Responsibilities of the Chairman of the Committee

The Chairman of the committee shall supervise the committee's achievement of all its tasks. The committee chairman shall have the following authorities:

- 1- Inviting the committee to convene and specifying the time, date and place of each committee meeting and the agenda, after coordination with the committee members.
- 2- Presiding over committee meetings.
- 3- Submitting the results and recommendations of the committee's work to the Board.
- 4- Preparing the committee's budget, its work plan, and its projects in the short and long term, in coordination with the committee's secretary, and presenting it to the committee in preparation for submitting it to the board of directors, after being approved by the committee.
- 5- When needed - Preparing periodic reports on the activities of the committee in coordination with the committee's secretary and presenting them to the committee in preparation for submission to the board of directors, after being approved by the committee. Copies of the committee's minutes are attached to these reports.
- 6- Representing the committee on the Board and in front of any other party that requires it.

7- Appointment of a secretary of the committee

- 1- The committee appoints a secretary from among the company's employees to undertake its administrative work, prepare minutes of its meetings, ensure that the committee chairman signs these minutes, and schedule committee meetings in coordination with its chairman.
- 2- The Insurance Authority's prior no-objection to the appointment of the committee Secretary should be obtained.
- 3- When choosing the committee secretary, it should be taken into account that he has the academic qualification and practical experience that enables him to carry out the tasks entrusted to him.
- 4- The secretary of the committee must document and keep the minutes of the committee's meetings in a special record for that.
- 5- The committee secretary must prepare a list of the committee's tasks and responsibilities and follow up on their implementation on a quarterly basis during the year with the committee chairman and members.

8- Committee Meetings

- 1- The Committee will meet at such times as shall be determined by its Chairman and its members, or upon the request of any two of its members.
- 2- The Investment Committee meets periodically and whenever the need arises, The Committee shall meet at least four (4) Meetings a year.
- 3- No one other than the Committee members and the committee Secretary shall be entitled to be present at a meeting of the Committee, but others may attend at the invitation of the Committee
- 4- The agenda of each meeting will be prepared by the Chairperson of the Committee with the assistance of the Committee Secretary and whenever reasonably possible, circulated with the related documents to each member in an appropriate period prior to the meeting date in compliance with the regulatory periods.

- 5- The committee meeting shall not be held unless at least half of its members are present.
- 6- The Chairman will preside, when present, at all meetings of the Committee. And In case of his absence he will delegate a member to preside the meeting.
- 7- The Committee will keep a record of its meetings and report on them to the Board.
- 8- The Committee may meet by telephone or video conference and may take action by unanimous written consent.

9- Committee decisions

- 1- The decisions and recommendations of the committee are issued by a majority vote of its members present, and in the event of equal votes, the side with the chairman shall prevail.
- 2- Any member may reserve any decision taken by the committee, provided that he states the reasons that led him to reserve. If any member leaves the committee meeting before its conclusion, his reservation, if any, is limited to the decisions related to the items he attended for discussion, provided that he states in the minutes the items he did not attend the discussion if he expresses his desire in writing.
- 3- The committee secretary must record the opinions of all parties in the minutes of the meeting.

10- Documenting the minutes of the committee's meetings:

The minutes of the committee's meetings are documented as follows:

- 1- During the meeting, the Secretary of the Committee records the most important discussions and upon completion of the discussion of any topic, he summarizes the recommendations or decisions reached.
- 2- The Secretary of the Committee shall prepare for each of the Committee's meetings a draft minutes in which the date and place of the meeting, the names of those present and absent, a summary of the discussions and the texts of recommendations and decisions reached by the Committee shall be written and presented to the members of the Committee for approval.
- 3- The minutes of the meeting must be prepared and sent to the members within 15 days from the date of the meeting.
- 4- The signed copy of the minutes shall be kept in a special file and all documents related to the minutes shall be attached to it.

11- The Committee's plan and annual report to the Board of Directors and the Committee's evaluation

- 1- The committee shall prepare, before the beginning of each year, an annual plan that includes a timetable for the committee's meetings and a description of the work it will undertake during the year.
- 2- The committee must submit an annual report to the board of directors stating the number of committee meetings, the accomplished tasks assigned to the committee, what has not been accomplished, the reason for that, and the obstacles facing the committee in its work.
- 3- The Board of Directors, through the Nominations and Remunerations Committee or with the assistance of an external evaluation body, conducts the annual evaluation of the Committee and the Chairman and members of the Committee.

12- Committee’s Scope of Work

In discharging its oversight role, the Committee is empowered to investigate any matter brought to its attention with full access to all books, records, facilities and personnel of the Company and the power to retain outside legal counsel, auditors or consultants, or incur other expenses for this purpose, which expenses the Company shall pay. The Committee may also meet with the Company’s investment bankers or financial analysts who follow the Company. The Committee may require any officer or employee of the Company or any of its subsidiaries, the Company’s outside legal counsel, and the Company’s external auditors to meet with the Committee or any member of the Committee.

The Board of Directors shall take all necessary measures to ensure that the Committee performs its duties.

13- Committee Members’ Remuneration

The committee members are entitled to annual Remuneration for their membership in the committee, if the eligibility requirements have been fulfilled by the member.

The committee, members’ remuneration shall be as per the Board resolution, based on Nomination & Remuneration committee recommendation, Board Members and committees’ Remuneration Policies which is approved by the General Assembly, and provided within the parameters allowed by the law and regulations of Saudi Arabia.

14- Review & Amendments

The Committee shall develop, implement and review its own Charter annually and shall thereafter recommend its revised Charter for the Board’s approval. The Board in return raises the charter to be approved in General Assembly meeting (in case the changes is required)

Policy review

Name	Ver.	date	responsibility
Investment Committee Charter	1.03	28/04/2024	Board of Directors

Investment Committee Approval

Name	Position	Signature
Abdulaziz Al Naim	Committee Chairman	

Board of Directors Approval

Name	Position	Signature
Abdulaziz Ali Alturki	BOD Chairman	

General Assembly Approval

General Assembly	Date

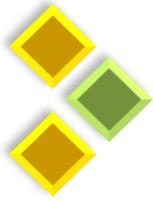
Investment Committee Charter

Ordinary General Assembly Meeting	04/06/2024
-----------------------------------	------------



Agenda Item # 6

**Voting on amending the Risk Management Committee
Regulation and Charter (Attached).**



Before

Amendments

Risk Management Committee Regulation and Charter



إتحاد الخليج الأهلية للتأمين التعاوني
GULF UNION AL AHLIA COOPERATIVE INSURANCE

Risk Management Committee Charter / Regulation

**Controls regulating the work of the Risk Management
Committee,**

**The Role and Responsibilities of the committee, and the rules
and controls for its formation and selection of its members**

About the Company

Gulf Union Al Ahlia Cooperative Insurance Company is a Saudi public joint stock company whose license was approved by Ministerial Resolution No. (233) dated 16 Ramadan 1427 AH corresponding to October 9, 2006 AD and by Royal Decree No. (M/60) dated 9/18/1427 AH (corresponding to October 9, 2006 AD) October 11, 2006 AD (and was established by Ministerial Resolution No. 196/Q on 7/22/1428 corresponding to 05/08/2007)

The company obtained a license to practice insurance activity No. (TMN/09/20079), dated 29/08/1428 AH, issued by Insurance Authority in the following branches (general insurance - medical insurance - protection and savings insurance)

The company is under the supervision and control of the Insurance Authority

Introduction

Gulf Union Al Ahlia Cooperative Insurance Company aims to establish the best Governance standards and practices and apply the company's corporate governance rules.

In compliance with the relevant laws, regulations and instructions, the company has established the Risk Management committee charter, which contains the controls regulating the work of the Risk Management committee, the role and responsibilities of the committee, the rules and controls for its formation, the selection of committee members, its meetings, and the rewards of its members in accordance with the relevant laws and regulations.

1- Purpose

The purpose of the Risk Management Committee (the "Committee") of the Board of Directors (the "Board") of Gulf Union Al Ahlia Cooperative Insurance Co.(the "Company" or "GUAI") is to have responsibility for oversight and advice to the Board of Directors on the current risk exposures of the Company and future risk strategy.

The Committee shall advise and make recommendations to the Board of Directors on the following:

- Risk appetite and tolerance for future strategy, taking into account of the Board's overall risk appetite, the current financial position of the Company and, drawing on the work of the Audit Committee and the External Auditor, the capacity of the Company to manage control risks within the agreed strategy;
- The system and programme of risk management with the aim of identifying, measuring, controlling and reporting risks;
- The alignment of strategy with the Board's risk appetite.
- Promoting and embedding a risk awareness culture within the Company.
- The Committee shall also oversee the risk management function

2- Committee Responsibilities

Subject to any resolution of the Board, the duties of the Risk Committee are to:

- Identifying risks that may imperil the Company and maintaining an acceptable risk profile for the Company.
- Overseeing the risk management system and assessing its effectiveness.

- Defining a comprehensive risk management strategy for the Company, 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.
- Reviewing risk management policies.
- Re-evaluating the Company's tolerance for, and exposure to, risk on a regular basis (e.g., through stress testing exercises).
- Reporting to the Board details of risk exposures and recommending actions to manage them.
- Advising the Board on issues related to risk management.

3- Committee formation and selection of its members

Committee Size

The Committee shall be formed by the Board of Directors, The risk management committee shall be composed of at least (3) members headed by a non-executive member, its members have with an appropriate financial and risk management knowledge.

Reporting to the Board

The Risk Management Committee reports to the Board of Directors, Every meeting of the Committee should be followed by a minutes of meeting detailing the outcome of the meeting to the Board of Directors.

Rules for selecting committee members

There are a set of rules that the board of directors must take into account when selecting members of the Risk Management committee, and whoever is appointed as a member of the Risk Management Committee committee is required to meet the following throughout the term of his membership in the committee:

- 1- The member of the Risk Management Committee must have an appropriate academic qualification and knowledge of the nature of the company's business.
- 2- That the member must have a good reputation and good conduct.
- 3- To refrain from engaging in any activity that may be in conflict with the interest of the company, or in competition with its business, or that may harm his ability to carry out his duties and responsibilities objectively.
- 4- To allocate an appropriate time to perform the tasks entrusted to him to perform as a member of the committee.
- 5- The member should have the appropriate technical, financial or administrative expertise.

Members Appointment

Members of the Committee shall be appointed of directors, upon the recommendation of the Nomination and Remuneration Committee by the Board, provided that obtaining Insurance Authority's prior no-objection on the nomination/appointment

And may be removed by the Board at its discretion. Also, the Committee members shall be subject to reappointment by the Board after an interval of three years.

Chairman Selection

One of the members shall serve as the Chairman of the Committee. The Chairman of the Committee shall be designated by the Board or as desired by the Board of Directors, if no such designation is made, shall be selected by the affirmative vote of the majority of the Committee.

provided that obtaining Insurance Authority's prior no-objection on the nomination/appointment of the Chairman of the committee

4- Membership term, mechanisms for appointing and relieving committee members, and vacant positions

- 1- Taking into consideration the rules for selecting members of the Risk Management Committee and the conditions that must be met by the members of the committee referred to above in these controls; The Board of Directors will compare between candidates for membership of the committee who meet the conditions, and the Board of Directors appoints the members of the committee for a period of three years (corresponding with the beginning and end of the Board of Directors' term) after obtaining a written no-objection from the Insurance Authority.

The Board of Directors shall take the necessary measures to enable the Committee to carry out the tasks entrusted to it.

- 2- The company's board of directors may exempt any member of the Risk Management committee by a decision of the board in the following cases:
 - a- The member requested to be exempted from membership in the committee
 - b- Abuse his position in the committee or misconduct that the board considers harmful to the objectives and reputation of the company in general and the committee in particular.
 - c- Absence from attending three consecutive meetings without an excuse accepted by the Board of Directors.
 - d- The member has lost any of the conditions that must be met by the member of the committee referred to above.
 - e- The member's violation of the provisions of the Cooperative Insurance Companies Control Law, its implementing regulations, or the provisions of other relevant regulations and instructions.
- 3- Upon the expiry of a member's term, during the term of the committee's work, due to death, resignation, disability or exemption, the Board of Directors, after obtaining the Insurance Authority's no-objection in writing, appoints another member to fill the vacant position in the committee, and the new member completes his predecessor's term until the end of the committee's term Taking into account the conditions that must be met by the committee member.

5- Duties of a committee member

- 1- Regularly attending the committee's sessions and actively participating in its work
- 2- Preserving the company's secrets. A member of the committee may not disclose to the shareholders, other than in the general assembly, or to third parties, the company's secrets that came to his attention due to the performance of his work, otherwise he must change it, in addition to being held accountable for compensation for the damage that may result from that.
- 3- To exercise due diligence to carry out the work entrusted to him, and to keep abreast of recent developments related to the company's business.
- 4- To be characterized by justice and to display integrity, chastity, honesty, objectivity and independence when performing his work
- 5- To be free of personal interests, not to subject his judgment to the opinions of others, and not to disclose information that is not true.
- 6- The member shall not participate in any business or activities considered to be offensive to honor and honesty.
- 7- He shall not accept anything of significant value from an employee, affiliate, customer, supplier, or anyone who has a business relationship with the company that may lead to a weakness in the

independence of the committee member in form and substance or affect or presumably affect his decisions.

- 8- To disclose to the Board of Directors the transactions that took place between him and the company and the nature of that relationship, as well as the relationship he has with the Board of Directors and the company's executive managers, in accordance with what is required by the code of conduct approved by the company.

6- Responsibilities of the Chairman of the Committee

The Chairman of the committee shall supervise the committee's achievement of all its tasks. The committee chairman shall have the following authorities:

- 1- Inviting the committee to convene and specifying the time, date and place of each committee meeting and the agenda, after coordination with the committee members.
- 2- Presiding over committee meetings.
- 3- Submitting the results and recommendations of the committee's work to the Board.
- 4- Preparing the committee's budget, its work plan, and its projects in the short and long term, in coordination with the committee's secretary, and presenting it to the committee in preparation for submitting it to the board of directors, after being approved by the committee.
- 5- When needed - Preparing periodic reports on the activities of the committee in coordination with the committee's secretary and presenting them to the committee in preparation for submission to the board of directors, after being approved by the committee. Copies of the committee's minutes are attached to these reports.
- 6- Representing the committee on the Board and in front of any other party that requires it.

7- Appointment of a secretary of the committee

- 1- The committee appoints a secretary from among the company's employees to undertake its administrative work, prepare minutes of its meetings, ensure that the committee chairman signs these minutes, and schedule committee meetings in coordination with its chairman.
- 2- The Insurance Authority's prior no-objection to the appointment of the committee Secretary should be obtained.
- 3- When choosing the committee secretary, it should be taken into account that he has the academic qualification and practical experience that enables him to carry out the tasks entrusted to him.
- 4- The secretary of the committee must document and keep the minutes of the committee's meetings in a special record for that.
- 5- The committee secretary must prepare a list of the committee's tasks and responsibilities and follow up on their implementation on a quarterly basis during the year with the committee chairman and members.

8- Committee Meetings

- 1- The Committee will meet at such times as shall be determined by its Chairman and its members, or upon the request of any two of its members.
- 2- The Risk Management Committee shall meet periodically and whenever necessary, at least every six months
- 3- No one other than the Committee members and the committee Secretary shall be entitled to be present at a meeting of the Committee, but others may attend at the invitation of the Committee

- 4- The agenda of each meeting will be prepared by the Chairperson of the Committee and whenever reasonably possible, circulated to each member in an appropriate period prior to the meeting date.
- 5- The committee meeting shall not be held unless at least half of its members are present.
- 6- The Chairman will preside, when present, at all meetings of the Committee. And In case of his absence he will delegate a member to preside the meeting.
- 7- The Committee will keep a record of its meetings and report on them to the Board.
- 8- The Committee may meet by telephone or video conference and may take action by unanimous written consent.

9- Committee decisions

- 1- The decisions and recommendations of the committee are issued by a majority vote of its members present, and in the event of equal votes, the side with the chairman shall prevail.
- 2- Any member may reserve any decision taken by the committee, provided that he states the reasons that led him to reserve. If any member leaves the committee meeting before its conclusion, his reservation, if any, is limited to the decisions related to the items he attended for discussion, provided that he states in the minutes the items he did not attend the discussion if he expresses his desire in writing.
- 3- The committee secretary must record the opinions of all parties in the minutes of the meeting.

10- Documenting the minutes of the committee's meetings:

The minutes of the committee's meetings are documented as follows:

- 1- During the meeting, the Secretary of the Committee records the most important discussions and upon completion of the discussion of any topic, he summarizes the recommendations or decisions reached.
- 2- The Secretary of the Committee shall prepare for each of the Committee's meetings a draft minutes in which the date and place of the meeting, the names of those present and absent, a summary of the discussions and the texts of recommendations and decisions reached by the Committee shall be written and presented to the members of the Committee for approval.
- 3- The minutes of the meeting must be prepared and sent to the members within 15 days from the date of the meeting.
- 4- The signed copy of the minutes shall be kept in a special file and all documents related to the minutes shall be attached to it.

11- The Committee's plan and annual report to the Board of Directors and the Committee's evaluation

- 1- The committee shall prepare, before the beginning of each year, an annual plan that includes a timetable for the committee's meetings and a description of the work it will undertake during the year.
- 2- The committee must submit an annual report to the board of directors stating the number of committee meetings, the accomplished tasks assigned to the committee, what has not been accomplished, the reason for that, and the obstacles facing the committee in its work.
- 3- The Board of Directors, through the Nominations and Remunerations Committee or with the assistance of an external evaluation body, conducts the annual evaluation of the Committee and the Chairman and members of the Committee.

12- Committee's Scope of Work

In discharging its oversight role, the Committee is empowered to investigate any matter brought to its attention with full access to all books, records, facilities and personnel of the Company and the power to retain outside legal counsel, auditors or consultants, or incur other expenses for this purpose, which expenses the Company shall pay. The Committee may also meet with the Company's investment bankers or financial analysts who follow the Company. The Committee may require any officer or employee of the Company or any of its subsidiaries, the Company's outside legal counsel, and the Company's external auditors to meet with the Committee or any member of the Committee.

The Board of Directors shall take all necessary measures to ensure that the Committee performs its duties.

13- Committee Members' Remuneration

The committee members are entitled to annual Remuneration for their membership in the committee, if the eligibility requirements have been fulfilled by the member.

The committee, members' remuneration shall be as per the Board resolution, based on Nomination & Remuneration committee recommendation, Board Members and committees' Remuneration Policies which is approved by the General Assembly, and provided within the parameters allowed by the law and regulations of Saudi Arabia.

14- Review & Amendments

The Committee shall develop, implement and review its own Charter annually and shall thereafter recommend its revised Charter for the Board's approval. The Board in return raises the charter to be approved in General Assembly meeting (in case the changes is required)

Policy review

Name	Ver.	date	responsibility
Risk Management Committee Charter	1.03	28/04/2024	Board of Directors

Risk Management Committee Approval

Name	Position	Signature
Abdullah Abdulwahab	Committee Chairman	

Board of Directors Approval

Name	Position	Signature
Abdulaziz Ali Alturki	Board Chairman	

General Assembly Approval

General Assembly	Date
Ordinary General Assembly Meeting	04/06/2024



After

Amendments

Risk Management Committee Regulation and Charter



إتحاد الخليج الأهلية للتأمين التعاوني
GULF UNION AL AHLIA COOPERATIVE INSURANCE

Risk Management Committee Charter / Regulation

**Controls regulating the work of the Risk Management
Committee,**

**The Role and Responsibilities of the committee, and the rules
and controls for its formation and selection of its members**

About the Company

Gulf Union Al Ahlia Cooperative Insurance Company is a Saudi public joint stock company whose license was approved by Ministerial Resolution No. (233) dated 16 Ramadan 1427 AH corresponding to October 9, 2006 AD and by Royal Decree No. (M/60) dated 9/18/1427 AH (corresponding to October 9, 2006 AD) October 11, 2006 AD (and was established by Ministerial Resolution No. 196/Q on 7/22/1428 corresponding to 05/08/2007)

The company obtained a license to practice insurance activity No. (TMN/09/20079), dated 29/08/1428 AH, issued by Insurance Authority in the following branches (general insurance - medical insurance - protection and savings insurance)

The company is under the supervision and control of the Insurance Authority

Introduction

Gulf Union Al Ahlia Cooperative Insurance Company aims to establish the best Governance standards and practices and apply the company's corporate governance rules.

In compliance with the relevant laws, regulations and instructions, the company has established the Risk Management committee charter, which contains the controls regulating the work of the Risk Management committee, the role and responsibilities of the committee, the rules and controls for its formation, the selection of committee members, its meetings, and the rewards of its members in accordance with the relevant laws and regulations.

1- Purpose

The purpose of the Risk Management Committee (the "Committee") of the Board of Directors (the "Board") of Gulf Union Al Ahlia Cooperative Insurance Co.(the "Company" or "GUAI") is to have responsibility for oversight and advice to the Board of Directors on the current risk exposures of the Company and future risk strategy.

The Committee shall advise and make recommendations to the Board of Directors on the following:

- Risk appetite and tolerance for future strategy, taking into account of the Board's overall risk appetite, the current financial position of the Company and, drawing on the work of the Audit Committee and the External Auditor, the capacity of the Company to manage control risks within the agreed strategy;
- The system and programme of risk management with the aim of identifying, measuring, controlling and reporting risks;
- The alignment of strategy with the Board's risk appetite.
- Promoting and embedding a risk awareness culture within the Company.
- The Committee shall also oversee the risk management function

2- Committee Responsibilities

Subject to any resolution of the Board, the duties of the Risk Committee are to:

- Identifying risks that may imperil the Company and maintaining an acceptable risk profile for the Company.
- Overseeing the risk management system and assessing its effectiveness.

- Defining a comprehensive risk management strategy for the Company, 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.
- Reviewing risk management policies.
- Re-evaluating the Company's tolerance for, and exposure to, risk on a regular basis (e.g., through stress testing exercises).
- Reporting to the Board details of risk exposures and recommending actions to manage them.
- Advising the Board on issues related to risk management.

3- Committee formation and selection of its members

Committee Size

The Committee shall be formed by the Board of Directors, The risk management committee shall be composed of at least (3) members **and no more than five (5)** headed by a non-executive member, its members have with an appropriate financial and risk management knowledge.

Reporting to the Board

The Risk Management Committee reports to the Board of Directors, Every meeting of the Committee should be followed by a minutes of meeting detailing the outcome of the meeting to the Board of Directors.

Rules for selecting committee members

There are a set of rules that the board of directors must take into account when selecting members of the Risk Management committee, and whoever is appointed as a member of the Risk Management Committee committee is required to meet the following throughout the term of his membership in the committee:

- 1- The member of the Risk Management Committee must have an appropriate academic qualification and knowledge of the nature of the company's business.
- 2- That the member must have a good reputation and good conduct.
- 3- To refrain from engaging in any activity that may be in conflict with the interest of the company, or in competition with its business, or that may harm his ability to carry out his duties and responsibilities objectively.
- 4- To allocate an appropriate time to perform the tasks entrusted to him to perform as a member of the committee.
- 5- The member should have the appropriate technical, financial or administrative expertise.

Members Appointment

Members of the Committee shall be appointed **by the Board** of directors, upon the recommendation of the Nomination and Remuneration Committee, **Wherever the Committee is lawfully convened and discharging its functions, by the Board**, provided that obtaining Insurance Authority's prior no-objection on the nomination/appointment, **The committee may include members from outside the board of directors** And may be removed by the Board at its discretion. Also, the Committee members shall be subject to reappointment by the Board after an interval of ~~three~~ **Four** years.

Chairman Selection

One of the members shall serve as the Chairman of the Committee. The Chairman of the Committee shall be designated by the Board or as desired by the Board of Directors, if no such designation is made, shall be selected by the affirmative vote of the majority of the Committee.

provided that obtaining Insurance Authority's prior no-objection on the nomination/appointment of the Chairman of the committee

4- Membership term, mechanisms for appointing and relieving committee members, and vacant positions

- 1- Taking into consideration the rules for selecting members of the Risk Management Committee and the conditions that must be met by the members of the committee referred to above in these controls; The Board of Directors will compare between candidates for membership of the committee who meet the conditions, and the Board of Directors appoints the members of the committee for a period of ~~three~~ Four years (corresponding with the beginning and end of the Board of Directors' term) after obtaining a written no-objection from the Insurance Authority.

The Board of Directors shall take the necessary measures to enable the Committee to carry out the tasks entrusted to it.

- 2- The company's board of directors may exempt any member of the Risk Management committee by a decision of the board in the following cases:
 - a- The member requested to be exempted from membership in the committee
 - b- Abuse his position in the committee or misconduct that the board considers harmful to the objectives and reputation of the company in general and the committee in particular.
 - c- Absence from attending three consecutive meetings without an excuse accepted by the Board of Directors.
 - d- The member has lost any of the conditions that must be met by the member of the committee referred to above.
 - e- The member's violation of the provisions of the Cooperative Insurance Companies Control Law, its implementing regulations, or the provisions of other relevant regulations and instructions.
- 3- Upon the expiry of a member's term, during the term of the committee's work, due to death, resignation, disability or exemption, the Board of Directors, after obtaining the Insurance Authority's no-objection in writing, appoints another member to fill the vacant position in the committee, and the new member completes his predecessor's term until the end of the committee's term Taking into account the conditions that must be met by the committee member.

5- Duties of a committee member

- 1- Regularly attending the committee's sessions and actively participating in its work
- 2- Preserving the company's secrets. A member of the committee may not disclose to the shareholders, other than in the general assembly, or to third parties, the company's secrets that came to his attention due to the performance of his work, otherwise he must change it, in addition to being held accountable for compensation for the damage that may result from that.
- 3- To exercise due diligence to carry out the work entrusted to him, and to keep abreast of recent developments related to the company's business.
- 4- To be characterized by justice and to display integrity, chastity, honesty, objectivity and independence when performing his work
- 5- To be free of personal interests, not to subject his judgment to the opinions of others, and not to disclose information that is not true.
- 6- The member shall not participate in any business or activities considered to be offensive to honor and honesty.

- 7- He shall not accept anything of significant value from an employee, affiliate, customer, supplier, or anyone who has a business relationship with the company that may lead to a weakness in the independence of the committee member in form and substance or affect or presumably affect his decisions.
- 8- To disclose to the Board of Directors the transactions that took place between him and the company and the nature of that relationship, as well as the relationship he has with the Board of Directors and the company's executive managers, in accordance with what is required by the code of conduct approved by the company.

6- Responsibilities of the Chairman of the Committee

The Chairman of the committee shall supervise the committee's achievement of all its tasks. The committee chairman shall have the following authorities:

- 1- Inviting the committee to convene and specifying the time, date and place of each committee meeting and the agenda, after coordination with the committee members.
- 2- Presiding over committee meetings.
- 3- Submitting the results and recommendations of the committee's work to the Board.
- 4- Preparing the committee's budget, its work plan, and its projects in the short and long term, in coordination with the committee's secretary, and presenting it to the committee in preparation for submitting it to the board of directors, after being approved by the committee.
- 5- When needed - Preparing periodic reports on the activities of the committee in coordination with the committee's secretary and presenting them to the committee in preparation for submission to the board of directors, after being approved by the committee. Copies of the committee's minutes are attached to these reports.
- 6- Representing the committee on the Board and in front of any other party that requires it.

7- Appointment of a secretary of the committee

- 1- The committee appoints a secretary from among the company's employees to undertake its administrative work, prepare minutes of its meetings, ensure that the committee chairman signs these minutes, and schedule committee meetings in coordination with its chairman.
- 2- The Insurance Authority's prior no-objection to the appointment of the committee Secretary should be obtained.
- 3- When choosing the committee secretary, it should be taken into account that he has the academic qualification and practical experience that enables him to carry out the tasks entrusted to him.
- 4- The secretary of the committee must document and keep the minutes of the committee's meetings in a special record for that.
- 5- The committee secretary must prepare a list of the committee's tasks and responsibilities and follow up on their implementation on a quarterly basis during the year with the committee chairman and members.

8- Committee Meetings

- 1- The Committee will meet at such times as shall be determined by its Chairman and its members, or upon the request of any two of its members.
- 2- The Risk Management Committee shall meet periodically and whenever necessary, at least every six months

- 3- No one other than the Committee members and the committee Secretary shall be entitled to be present at a meeting of the Committee, but others may attend at the invitation of the Committee
- 4- The agenda of each meeting will be prepared by the Chairperson of the Committee with the assistance of the Committee Secretary and whenever reasonably possible, circulated with the related documents to each member in an appropriate period prior to the meeting date in compliance with the regulatory periods.
- 5- The committee meeting shall not be held unless at least half of its members are present.
- 6- The Chairman will preside, when present, at all meetings of the Committee. And In case of his absence he will delegate a member to preside the meeting.
- 7- The Committee will keep a record of its meetings and report on them to the Board.
- 8- The Committee may meet by telephone or video conference and may take action by unanimous written consent.

9- Committee decisions

- 1- The decisions and recommendations of the committee are issued by a majority vote of its members present, and in the event of equal votes, the side with the chairman shall prevail.
- 2- Any member may reserve any decision taken by the committee, provided that he states the reasons that led him to reserve. If any member leaves the committee meeting before its conclusion, his reservation, if any, is limited to the decisions related to the items he attended for discussion, provided that he states in the minutes the items he did not attend the discussion if he expresses his desire in writing.
- 3- The committee secretary must record the opinions of all parties in the minutes of the meeting.

10- Documenting the minutes of the committee's meetings:

The minutes of the committee's meetings are documented as follows:

- 1- During the meeting, the Secretary of the Committee records the most important discussions and upon completion of the discussion of any topic, he summarizes the recommendations or decisions reached.
- 2- The Secretary of the Committee shall prepare for each of the Committee's meetings a draft minutes in which the date and place of the meeting, the names of those present and absent, a summary of the discussions and the texts of recommendations and decisions reached by the Committee shall be written and presented to the members of the Committee for approval.
- 3- The minutes of the meeting must be prepared and sent to the members within 15 days from the date of the meeting.
- 4- The signed copy of the minutes shall be kept in a special file and all documents related to the minutes shall be attached to it.

11- The Committee's plan and annual report to the Board of Directors and the Committee's evaluation

- 1- The committee shall prepare, before the beginning of each year, an annual plan that includes a timetable for the committee's meetings and a description of the work it will undertake during the year.
- 2- The committee must submit an annual report to the board of directors stating the number of committee meetings, the accomplished tasks assigned to the committee, what has not been accomplished, the reason for that, and the obstacles facing the committee in its work.

- 3- The Board of Directors, through the Nominations and Remunerations Committee or with the assistance of an external evaluation body, conducts the annual evaluation of the Committee and the Chairman and members of the Committee.

12- Committee's Scope of Work

In discharging its oversight role, the Committee is empowered to investigate any matter brought to its attention with full access to all books, records, facilities and personnel of the Company and the power to retain outside legal counsel, auditors or consultants, or incur other expenses for this purpose, which expenses the Company shall pay. The Committee may also meet with the Company's investment bankers or financial analysts who follow the Company. The Committee may require any officer or employee of the Company or any of its subsidiaries, the Company's outside legal counsel, and the Company's external auditors to meet with the Committee or any member of the Committee.

The Board of Directors shall take all necessary measures to ensure that the Committee performs its duties.

13- Committee Members' Remuneration

The committee members are entitled to annual Remuneration for their membership in the committee, if the eligibility requirements have been fulfilled by the member.

The committee, members' remuneration shall be as per the Board resolution, based on Nomination & Remuneration committee recommendation, Board Members and committees' Remuneration Policies which is approved by the General Assembly, and provided within the parameters allowed by the law and regulations of Saudi Arabia.

14- Review & Amendments

The Committee shall develop, implement and review its own Charter annually and shall thereafter recommend its revised Charter for the Board's approval. The Board in return raises the charter to be approved in General Assembly meeting (in case the changes is required)

Policy review

Name	Ver.	date	responsibility
Risk Management Committee Charter	1.03 1.04	28/04/2024	Board of Directors

Risk Management Committee Approval

Name	Position	Signature
Abdullah Abdulwahab	Committee Chairman	

Board of Directors Approval

Name	Position	Signature
Abdulaziz Ali Alturki	Board Chairman	

General Assembly Approval

General Assembly	Date
Ordinary General Assembly Meeting	04/06/2024



Agenda Item # 7

Voting on amending the Nomination and Remuneration Committee Regulation and Charter (Attached).



Before

Amendments

**Nomination and Remuneration Committee Regulation
and Charter**



إتحاد الخليج الأهلية للتأمين التعاوني
GULF UNION AL AHLIA COOPERATIVE INSURANCE

Nomination & Remuneration Committee Charter / Regulation

**Controls regulating the work of the Nomination &
Remuneration Committee,
The Role and Responsibilities of the committee, and the rules
and controls for its formation and selection of its members**

About the Company

Gulf Union Al Ahlia Cooperative Insurance Company is a Saudi public joint stock company whose license was approved by Ministerial Resolution No. (233) dated 16 Ramadan 1427 AH corresponding to October 9, 2006 AD and by Royal Decree No. (M/60) dated 9/18/1427 AH (corresponding to October 9, 2006 AD) October 11, 2006 AD (and was established by Ministerial Resolution No. 196/Q on 7/22/1428 corresponding to 05/08/2007)

The company obtained a license to practice insurance activity No. (TMN/09/20079), dated 29/08/1428 AH, issued by the Insurance Authority in the following branches (general insurance - medical insurance - protection and savings insurance)

The company is under the supervision and control of the Insurance Authority

Introduction

Gulf Union Al Ahlia Cooperative Insurance Company aims to establish the best Governance standards and practices and apply the company's corporate governance rules.

In compliance with the relevant laws, regulations and instructions, the company has established the Nomination & Remuneration committee charter, which contains the controls regulating the work of the Nomination & Remuneration committee, the role and responsibilities of the committee, the rules and controls for its formation, the selection of committee members, its meetings, and the rewards of its members in accordance with the relevant laws and regulations.

1- Purpose

The purpose of the Nomination and Remuneration Committee (the “Committee”) of the Board of Directors (the “Board”) of Gulf Union Al Ahlia Cooperative Insurance Co. (the “Company” or “GUAI”) is to assist the Board of Directors in fulfilling its oversight responsibilities with respect to:

- Identifying individuals qualified to become Board members and recommending the Board of Directors’ nominees for the next annual meeting of shareholders.
- Ensuring the independence of the independent board members.
- Recommending Board member nominees for committees of the Board.
- Oversight of all matters relating to Board of Directors and executive officer compensation.
- Preparing and publishing an annual Committee report on Board member and executive compensation and such other reports to the extent required under any applicable securities laws and stock exchange regulations.
- Human resources matters including hiring, evaluation, compensation and succession planning for senior Management and other employees.

2- Remuneration Policy

Without prejudice to the provisions of the Companies Law and the Capital Market Law and their implementing regulations, the Remuneration policy must :

- Be consistent with the Company's strategy and objectives.
- Provide remunerations with the aim of encouraging the Board members and Executive Management to achieve the success of the Company and its long-term development, by for example making the variable part of the remuneration linked to the long-term performance.
- Determine remuneration based on job level, duties and responsibilities, educational qualifications, practical experience, skills and level of performance.
- Be consistent with the magnitude, nature and level of risks faced by the Company.
- Take into consideration the practices of other companies in respect of the determination of remunerations, and avoid the disadvantages of such comparisons in leading to unjustifiable increases in remunerations and compensations.
- Attract talented professionals and retain and motivate them without exaggeration.

Gulf Union Al Ahlia Cooperative Insurance Co. – Board of Directors

- Be prepared in coordination with the Nomination and Remuneration Committee in respect of new appointments.
- Take into consideration situations where remunerations should be suspended or reclaimed if it is determined that such remunerations were set based on inaccurate information provided by a member of the Board or the executive management, in order to prevent abuse of power to obtain unmerited remunerations.
- Regulating the grant of Company's shares to the Board members and the Executive Management, whether newly issued or purchased by the Company.

3- Committee Responsibilities

The Committee shall play a central role in the effective functioning of the Board through new Board member and committee nominations. In carrying out its responsibilities, the Committee shall seek to nominate individuals of integrity and superior ability who are focused on enhancing long-term shareholder value. Moreover, the Committee shall have overall responsibility for the evaluation and approval of Board member and executive officer compensation plans, policies and programs including annual base salary, annual incentive opportunity, long-term incentive opportunity, stock option or other equity participation plans, terms of employment agreements, severance agreements and any special or supplemental benefits, or any other perquisites, privileges or payments that are deemed to be compensation or remuneration under any applicable securities laws and stock exchange regulations. The Committee shall also determine the strengths and weaknesses of the Board and recommending remedy solutions that serve the Company's interests.

In carrying out its oversight responsibilities, the Committee shall seek to attract, motivate, reward and retain Board members and executive officers of high integrity and superior ability who are focused on enhancing long-term shareholder value.

The following functions shall be the common recurring activities of the Committee in carrying out its responsibilities. These functions should serve as a guide with the understanding that the Committee may carry out additional functions and adopt additional policies and procedures as may be appropriate in light of changing business, legislative, regulatory, legal or other conditions. The Committee shall also carry out any other responsibilities and duties delegated to it by the Board of Directors from time to time related to the purposes of the Committee.

- The Committee shall meet regularly and in special meetings called for as circumstances necessitate.
- The Committee shall prepare a clear policy for the remunerations of the Board members, its committees and the Executive Management, and presenting such policy to the Board in preparation for approval by the General Assembly, provided that such policy follows standards that are linked to performance, and disclosing and ensuring the implementation of such policy.
- Providing recommendations to the Board in respect of the remunerations of its members, the Committee members and Senior Executives, in accordance with the approved policy.
- The Committee shall clarify the relation between the paid remunerations and the adopted remuneration policy, and highlight any material deviation from that policy.
- The Committee shall periodically review the remuneration policy and assess its effectiveness in achieving its objectives.
- Making recommendations to the Board on the nomination of Board members and Board committee members in accordance with regulatory requirements and approved policies and standards
- 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

- Regularly evaluating the structure and composition of the Board and its committees and determining their points of weakness and recommending remedies
- Assessing and monitoring the independence of Board and Board committee members and ensuring the absence of any conflict of interest, including ensuring the independence of the independent members, at least on an annual basis
- Drawing up clear policies regarding the compensations and remunerations of members of the Board, the Board committees, and Senior Management
- Evaluating the performance of the Board and Board committee members on a regular basis
- Making recommendations to the Board with regards to selecting and dismissing members of Senior Management
- Establishing 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
- Reviewing the compensation plans for members of Senior Management
- Supervising the compensation plans for members of Senior Management
- Making recommendations to the Board on various issues related to nomination and remuneration
- The Committee shall suggest clear policies and standards for membership of the Board and the Executive Management.
- The Committee shall prepare a description of the capabilities and qualifications required for membership of the Board and Executive Management positions.
- The Committee shall annually review the skills and expertise required of the Board members and the Executive Management.
- The Committee shall review the structure of the Board and the Executive Management and provide recommendations regarding changes that may be made to such structure.
- The Committee shall have the responsibility to identify individuals qualified to become Board members and to recommend to the Board the nominees, in accordance with approved policies and standards, to stand for election as Board members at the annual meeting of shareholders or, if applicable, at a special meeting of shareholders. In nominating individuals, the Committee shall take into consideration such factors as it deems appropriate. These factors may include judgment, skill, diversity, experience, and the extent to which the individual would be a desirable addition to the Board and any committees of the Board.
- The Committee may consider individuals proposed by shareholders and management at its discretion.
- The Committee shall ensure that no person who has been previously convicted of any offense affecting honour or honesty is nominated for Board membership.
- The Committee shall maintain an orientation program for new Directors and organize continuing education programs for all Directors.
- The Committee shall annually ensure the independence of Independent Directors and the absence of any conflicts of interest if a Board member also acts as a member of the Board of Directors of another company.
- The Committee shall recommend to the Board for its approval, Directors to serve as members of Board committees, excluding the Audit Committee. The Committee shall recommend additional committee members to fill vacancies as needed.
- The Committee shall review the composition of each committee of the Board.

- The Committee shall assist the Board in selecting, developing and evaluating potential candidates for executive officer positions, including the CEO, and oversee the development of executive officer succession plans.
- The Committee shall provide job descriptions for the Executive, Non-Executive and Independent Directors and the Senior Executive Management.
- Aligned with the Company's overall HR strategy, the Committee shall review:
 - The standards used in performance evaluation of Company officers and managers.
 - The Company's compensation (including incentive and severance), pension and benefit policies and plans that relate to employees other than executives and principal officers.
 - The Company's recruitment, development, promotion and retention programs.
 - The composition of the Company's workforce in terms of diversity and equal opportunity.
 - The appointment of officers principal officers and recommend the compensation of other appointed officers.
- The Committee may, in its discretion, form and delegate all or a portion of its authority to subcommittees.
- The Committee shall report regularly to the Board of Directors:
 - Following meetings of the Committee;
 - With respect to such other matters as are relevant to the Committee's discharge of its responsibilities; and
 - With respect to such recommendations as the Committee may deem appropriate. The report to the Board of Directors may take the form of an oral report by the Chairman or any other member of the Committee designated by the Committee to make such report.
- The Committee shall review and reassess, periodically, the adequacy of this Charter and recommend to the Board of Directors any improvements to this Charter that the Committee considers necessary or valuable. The Committee shall conduct such evaluations and reviews in such manner as it deems appropriate.
- The Committee shall make this charter available on the Company's website.

4- Committee formation and selection of its members

Committee Size

The Committee shall be formed by the Board of Directors and shall be comprised of not less than three (3) Non-Executive members of the Board, Two independent members should be among the appointed committee members, and the Board chairman not allowed to be the chairman of the Nomination & Remuneration committee

Reporting to the Board

The Nomination & Remuneration committee reports to the Board of Directors, Every meeting of the Committee should be followed by a minutes of meeting detailing the outcome of the meeting to the Board of Directors.

Rules for selecting committee members

There are a set of rules that the board of directors must take into account when selecting members of the Nomination & Remuneration committee, and whoever is appointed as a member of the Nomination & Remuneration committee is required to meet the following throughout the term of his membership in the committee:

- 1- The member of the Nomination & Remuneration committee must have an appropriate academic qualification and knowledge of the nature of the company's business.
- 2- To be a member of the company's board of directors.
- 3- That the member must have a good reputation and good conduct.
- 4- To refrain from engaging in any activity that may be in conflict with the interest of the company, or in competition with its business, or that may harm his ability to carry out his duties and responsibilities objectively.
- 5- To allocate an appropriate time to perform the tasks entrusted to him to perform as a member of the committee.
- 6- The member should have the appropriate technical, financial or administrative expertise.

All members of the Committee shall meet the independence and experience requirements to the extent required under all applicable regulatory requirements or stock exchange regulations. The Board shall determine annually whether each member of the Committee is independent in accordance with the requirements described above. Notwithstanding the foregoing membership requirements, no action of the Committee shall be invalid by reason of any such requirement not being met at the time such action is taken.

Members Appointment

Members of the Committee shall be appointed by the Board of directors, provided that obtaining Insurance Authority's prior no-objection on the nomination/appointment

And may be removed by the Board at its discretion. Also, the Committee members shall be subject to reappointment by the Board after an interval of three years.

The General Assembly, as per the Board recommendation, issues a regulation for the Nomination and Remuneration Committee including its procedure, duties and rules for selecting its members, the term of their membership and their remunerations.

Chairman Selection

One of the members shall serve as the Chairman of the Committee. The Chairman of the Committee shall be designated by the Board or as desired by the Board of Directors, if no such designation is made, shall be selected by the affirmative vote of the majority of the Committee.

provided that obtaining Insurance Authority's prior no-objection on the nomination/appointment of the Chairman of the committee

5- Membership term, mechanisms for appointing and relieving committee members, and vacant positions

- 1- Taking into consideration the rules for selecting members of the Nomination & Remuneration Committee and the conditions that must be met by the members of the committee referred to above in these controls; The Board of Directors will compare between candidates for membership of the committee who meet the conditions, and the Board of Directors appoints the members of the committee for a period of three years (corresponding with the beginning and end of the Board of Directors' term) after obtaining a written no-objection from the Insurance Authority.

The Board of Directors shall take the necessary measures to enable the Committee to carry out the tasks entrusted to it.

- 2- The company's board of directors may exempt any member of the Nomination & Remuneration committee by a decision of the board in the following cases:
 - a- The member requested to be exempted from membership in the committee or to submit his resignation from the membership of the board of directors.

- b- Abuse his position in the committee or misconduct that the board considers harmful to the objectives and reputation of the company in general and the committee in particular.
 - c- Absence from attending three consecutive meetings without an excuse accepted by the Board of Directors.
 - d- The member has lost any of the conditions that must be met by the member of the committee referred to above.
 - e- The member's violation of the provisions of the Cooperative Insurance Companies Control Law, its implementing regulations, or the provisions of other relevant regulations and instructions.
- 3- Upon the expiry of a member's term, during the term of the committee's work, due to death, resignation, disability or exemption, the Board of Directors, after obtaining the Insurance Authority's no-objection in writing, appoints another member to fill the vacant position in the committee, and the new member completes his predecessor's term until the end of the committee's term Taking into account the conditions that must be met by the committee member.

6- Duties of a committee member

- 1- Regularly attending the committee's sessions and actively participating in its work
- 2- Preserving the company's secrets. A member of the committee may not disclose to the shareholders, other than in the general assembly, or to third parties, the company's secrets that came to his attention due to the performance of his work, otherwise he must change it, in addition to being held accountable for compensation for the damage that may result from that.
- 3- To exercise due diligence to carry out the work entrusted to him, and to keep abreast of recent developments related to the company's business.
- 4- To be characterized by justice and to display integrity, chastity, honesty, objectivity and independence when performing his work
- 5- To be free of personal interests, not to subject his judgment to the opinions of others, and not to disclose information that is not true.
- 6- The member shall not participate in any business or activities considered to be offensive to honor and honesty.
- 7- He shall not accept anything of significant value from an employee, affiliate, customer, supplier, or anyone who has a business relationship with the company that may lead to a weakness in the independence of the committee member in form and substance or affect or presumably affect his decisions.
- 8- To disclose to the Board of Directors the transactions that took place between him and the company and the nature of that relationship, as well as the relationship he has with the Board of Directors and the company's executive managers, in accordance with what is required by the code of conduct approved by the company.

7- Responsibilities of the Chairman of the Committee

The Chairman of the committee shall supervise the committee's achievement of all its tasks. The committee chairman shall have the following authorities:

- 1- Inviting the committee to convene and specifying the time, date and place of each committee meeting and the agenda, after coordination with the committee members.
- 2- Presiding over committee meetings.
- 3- Submitting the results and recommendations of the committee's work to the Board.

- 4- Preparing the committee's budget, its work plan, and its projects in the short and long term, in coordination with the committee's secretary, and presenting it to the committee in preparation for submitting it to the board of directors, after being approved by the committee.
- 5- When needed - Preparing periodic reports on the activities of the committee in coordination with the committee's secretary and presenting them to the committee in preparation for submission to the board of directors, after being approved by the committee. Copies of the committee's minutes are attached to these reports.
- 6- Representing the committee on the Board and in front of any other party that requires it.

8- Appointment of a secretary of the committee

- 1- The committee appoints a secretary from among the company's employees to undertake its administrative work, prepare minutes of its meetings, ensure that the committee chairman signs these minutes, and schedule committee meetings in coordination with its chairman.
- 2- The Insurance Authority's prior no-objection to the appointment of the committee Secretary should be obtained.
- 3- When choosing the committee secretary, it should be taken into account that he has the academic qualification and practical experience that enables him to carry out the tasks entrusted to him.
- 4- The secretary of the committee must document and keep the minutes of the committee's meetings in a special record for that.
- 5- The committee secretary must prepare a list of the committee's tasks and responsibilities and follow up on their implementation on a quarterly basis during the year with the committee chairman and members.

9- Committee Meetings

- 1- The Committee will meet at such times as shall be determined by its Chairman and its members, or upon the request of any two of its members.
- 2- The Nomination & Remuneration Committee meets periodically and whenever the need arises, The Committee shall meet at least two (2) Meetings a year.
- 3- No one other than the Committee members and the committee Secretary shall be entitled to be present at a meeting of the Committee, but others may attend at the invitation of the Committee
- 4- The agenda of each meeting will be prepared by the Chairman of the Committee with the assistance of the Committee Secretary and whenever reasonably possible, circulated to each member in an appropriate period prior to the meeting date.
- 5- The committee meeting shall not be held unless at least half of its members are present.
- 6- The Chairman will preside, when present, at all meetings of the Committee. And In case of his absence he will delegate a member to preside the meeting. Each member of the Committee will have one vote. A majority of the members present at any meeting at which a quorum is present may act on behalf of the Committee.
- 7- The Committee will keep a record of its meetings and report on them to the Board.
- 8- The Committee may meet by telephone or video conference and may take action by unanimous written consent.

10- Committee decisions

- 1- The decisions and recommendations of the committee are issued by a majority vote of its members present, and in the event of equal votes, the side with the chairman shall prevail.
- 2- Any member may reserve any decision taken by the committee, provided that he states the reasons that led him to reserve. If any member leaves the committee meeting before its conclusion, his reservation, if any, is limited to the decisions related to the items he attended for discussion,

provided that he states in the minutes the items he did not attend the discussion if he expresses his desire in writing.

- 3- The committee secretary must record the opinions of all parties in the minutes of the meeting.

11- Documenting the minutes of the committee's meetings:

The minutes of the committee's meetings are documented as follows:

- 1- During the meeting, the Secretary of the Committee records the most important discussions and upon completion of the discussion of any topic, he summarizes the recommendations or decisions reached.
- 2- The Secretary of the Committee shall prepare for each of the Committee's meetings a draft minutes in which the date and place of the meeting, the names of those present and absent, a summary of the discussions and the texts of recommendations and decisions reached by the Committee shall be written and presented to the members of the Committee for approval.
- 3- The minutes of the meeting must be prepared and sent to the members within 15 days from the date of the meeting.
- 4- The signed copy of the minutes shall be kept in a special file and all documents related to the minutes shall be attached to it.

12- The Committee's plan and annual report to the Board of Directors and the Committee's evaluation

- 1- The committee shall prepare, before the beginning of each year, an annual plan that includes a timetable for the committee's meetings and a description of the work it will undertake during the year.
- 2- The committee must submit an annual report to the board of directors stating the number of committee meetings, the accomplished tasks assigned to the committee, what has not been accomplished, the reason for that, and the obstacles facing the committee in its work.
- 3- The Board of Directors, through the Nominations and Remunerations Committee or with the assistance of an external evaluation body, conducts the annual evaluation of the Committee and the Chairman and members of the Committee.

13- Committee's Scope of Work

In discharging its oversight role, the Committee is empowered to investigate any matter brought to its attention with full access to all books, records, facilities and personnel of the Company and the power to retain outside legal counsel, auditors or consultants, or incur other expenses for this purpose, which expenses the Company shall pay. The Committee may also meet with the Company's investment bankers or financial analysts who follow the Company. The Committee may require any officer or employee of the Company or any of its subsidiaries, the Company's outside legal counsel, and the Company's external auditors to meet with the Committee or any member of the Committee.

After getting Board of directors' approval, The Committee shall have the authority to retain any search firm and other advisors as it deems necessary to carry out its duties and shall have the authority to approve related fees and other retention terms and to cause the Company to pay such related fees.

The Board of Directors shall take all necessary measures to ensure that the Committee performs its duties.

14- Committee Members' Remuneration

The committee members are entitled to annual Remuneration for their membership in the committee, if the eligibility requirements have been fulfilled by the member.

The committee, members' remuneration shall be as per the Board resolution, based on Nomination & Remuneration committee recommendation, Board Members and committees' Remuneration Policies which is approved by the General Assembly, and provided within the parameters allowed by the law and regulations of Saudi Arabia.

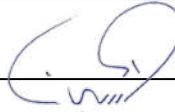
15- Review & Amendments

The Committee shall develop, implement and review its own Charter annually and shall thereafter recommend its revised Charter for the Board's approval. The Board in return raises the charter to be approved in General Assembly meeting (in case the changes is required)

Policy review

Name	Ver.	date	responsibility
Nomination & Remuneration Committee Charter	1.03	28/04/2024	Board of Directors

Nomination & Remuneration Committee Approval

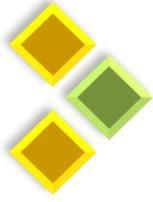
Name	Position	Signature
Ahmed Solaiman Al Muzaini	Committee Chairman	

Board of Directoers' Approval

Name	Position	Signature
Abdulaziz Ali Alturki	BOD Chairman	

General Assembly Approval

General Assembly	Date
Ordinary General Assembly Meeting	04/06/2024



After

Amendments

**Nomination and Remuneration Committee Regulation
and Charter**



إتحاد الخليج الأهلية للتأمين التعاوني
GULF UNION AL AHLIA COOPERATIVE INSURANCE

Nomination & Remuneration Committee Charter / Regulation

**Controls regulating the work of the Nomination &
Remuneration Committee,
The Role and Responsibilities of the committee, and the rules
and controls for its formation and selection of its members**

About the Company

Gulf Union Al Ahlia Cooperative Insurance Company is a Saudi public joint stock company whose license was approved by Ministerial Resolution No. (233) dated 16 Ramadan 1427 AH corresponding to October 9, 2006 AD and by Royal Decree No. (M/60) dated 9/18/1427 AH (corresponding to October 9, 2006 AD) October 11, 2006 AD (and was established by Ministerial Resolution No. 196/Q on 7/22/1428 corresponding to 05/08/2007)

The company obtained a license to practice insurance activity No. (TMN/09/20079), dated 29/08/1428 AH, issued by the Insurance Authority in the following branches (general insurance - medical insurance - protection and savings insurance)

The company is under the supervision and control of the Insurance Authority

Introduction

Gulf Union Al Ahlia Cooperative Insurance Company aims to establish the best Governance standards and practices and apply the company's corporate governance rules.

In compliance with the relevant laws, regulations and instructions, the company has established the Nomination & Remuneration committee charter, which contains the controls regulating the work of the Nomination & Remuneration committee, the role and responsibilities of the committee, the rules and controls for its formation, the selection of committee members, its meetings, and the rewards of its members in accordance with the relevant laws and regulations.

1- Purpose

The purpose of the Nomination and Remuneration Committee (the "Committee") of the Board of Directors (the "Board") of Gulf Union Al Ahlia Cooperative Insurance Co. (the "Company" or "GUAI") is to assist the Board of Directors in fulfilling its oversight responsibilities with respect to:

- Identifying individuals qualified to become Board members and recommending the Board of Directors' nominees for the next annual meeting of shareholders.
- Ensuring the independence of the independent board members.
- Recommending Board member nominees for committees of the Board.
- Oversight of all matters relating to Board of Directors and executive officer compensation.
- Preparing and publishing an annual Committee report on Board member and executive compensation and such other reports to the extent required under any applicable securities laws and stock exchange regulations.
- Human resources matters including hiring, evaluation, compensation and succession planning for senior Management and other employees.

2- Remuneration Policy

Without prejudice to the provisions of the Companies Law and the Capital Market Law and their implementing regulations, the Remuneration policy must :

- Be consistent with the Company's strategy and objectives.
- Provide remunerations with the aim of encouraging the Board members and Executive Management to achieve the success of the Company and its long-term development, by for example making the variable part of the remuneration linked to the long-term performance.
- Determine remuneration based on job level, duties and responsibilities, educational qualifications, practical experience, skills and level of performance.
- Be consistent with the magnitude, nature and level of risks faced by the Company.
- Take into consideration the practices of other companies in respect of the determination of remunerations, and avoid the disadvantages of such comparisons in leading to unjustifiable increases in remunerations and compensations.
- Attract talented professionals and retain and motivate them without exaggeration.

Gulf Union Al Ahlia Cooperative Insurance Co. – Board of Directors

- Be prepared in coordination with the Nomination and Remuneration Committee in respect of new appointments.
- Take into consideration situations where remunerations should be suspended or reclaimed if it is determined that such remunerations were set based on inaccurate information provided by a member of the Board or the executive management, in order to prevent abuse of power to obtain unmerited remunerations.
- Regulating the grant of Company's shares to the Board members and the Executive Management, whether newly issued or purchased by the Company.

3- Committee Responsibilities

The Committee shall play a central role in the effective functioning of the Board through new Board member and committee nominations. In carrying out its responsibilities, the Committee shall seek to nominate individuals of integrity and superior ability who are focused on enhancing long-term shareholder value. Moreover, the Committee shall have overall responsibility for the evaluation and approval of Board member and executive officer compensation plans, policies and programs including annual base salary, annual incentive opportunity, long-term incentive opportunity, stock option or other equity participation plans, terms of employment agreements, severance agreements and any special or supplemental benefits, or any other perquisites, privileges or payments that are deemed to be compensation or remuneration under any applicable securities laws and stock exchange regulations. The Committee shall also determine the strengths and weaknesses of the Board and recommending remedy solutions that serve the Company's interests.

In carrying out its oversight responsibilities, the Committee shall seek to attract, motivate, reward and retain Board members and executive officers of high integrity and superior ability who are focused on enhancing long-term shareholder value.

The following functions shall be the common recurring activities of the Committee in carrying out its responsibilities. These functions should serve as a guide with the understanding that the Committee may carry out additional functions and adopt additional policies and procedures as may be appropriate in light of changing business, legislative, regulatory, legal or other conditions. The Committee shall also carry out any other responsibilities and duties delegated to it by the Board of Directors from time to time related to the purposes of the Committee.

- The Committee shall meet regularly and in special meetings called for as circumstances necessitate.
- The Committee shall prepare a clear policy for the remunerations of the Board members, its committees and the Executive Management, and presenting such policy to the Board in preparation for approval by the General Assembly, provided that such policy follows standards that are linked to performance, and disclosing and ensuring the implementation of such policy.
- Providing recommendations to the Board in respect of the remunerations of its members, the Committee members and Senior Executives, in accordance with the approved policy.
- The Committee shall clarify the relation between the paid remunerations and the adopted remuneration policy, and highlight any material deviation from that policy.
- The Committee shall periodically review the remuneration policy and assess its effectiveness in achieving its objectives.
- Making recommendations to the Board on the nomination of Board members and Board committee members in accordance with regulatory requirements and approved policies and standards
- 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

- Regularly evaluating the structure and composition of the Board and its committees and determining their points of weakness and recommending remedies
- Assessing and monitoring the independence of Board and Board committee members and ensuring the absence of any conflict of interest, including ensuring the independence of the independent members, at least on an annual basis
- Drawing up clear policies regarding the compensations and remunerations of members of the Board, the Board committees, and Senior Management
- Evaluating the performance of the Board and Board committee members on a regular basis
- Making recommendations to the Board with regards to selecting and dismissing members of Senior Management
- Establishing 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
- Reviewing the compensation plans for members of Senior Management
- Supervising the compensation plans for members of Senior Management
- Making recommendations to the Board on various issues related to nomination and remuneration
- The Committee shall suggest clear policies and standards for membership of the Board and the Executive Management.
- The Committee shall prepare a description of the capabilities and qualifications required for membership of the Board and Executive Management positions.
- The Committee shall annually review the skills and expertise required of the Board members and the Executive Management.
- The Committee shall review the structure of the Board and the Executive Management and provide recommendations regarding changes that may be made to such structure.
- The Committee shall have the responsibility to identify individuals qualified to become Board members and to recommend to the Board the nominees, in accordance with approved policies and standards, to stand for election as Board members at the annual meeting of shareholders or, if applicable, at a special meeting of shareholders. In nominating individuals, the Committee shall take into consideration such factors as it deems appropriate. These factors may include judgment, skill, diversity, experience, and the extent to which the individual would be a desirable addition to the Board and any committees of the Board.
- The Committee may consider individuals proposed by shareholders and management at its discretion.
- The Committee shall ensure that no person who has been previously convicted of any offense affecting honour or honesty is nominated for Board membership.
- The Committee shall maintain an orientation program for new Directors and organize continuing education programs for all Directors.
- The Committee shall annually ensure the independence of Independent Directors and the absence of any conflicts of interest if a Board member also acts as a member of the Board of Directors of another company.
- The Committee shall recommend to the Board for its approval, Directors to serve as members of Board committees, excluding the Audit Committee. The Committee shall recommend additional committee members to fill vacancies as needed.
- The Committee shall review the composition of each committee of the Board.

- The Committee shall assist the Board in selecting, developing and evaluating potential candidates for executive officer positions, including the CEO, and oversee the development of executive officer succession plans.
- The Committee shall provide job descriptions for the Executive, Non-Executive and Independent Directors and the Senior Executive Management.
- Aligned with the Company's overall HR strategy, the Committee shall review:
 - The standards used in performance evaluation of Company officers and managers.
 - The Company's compensation (including incentive and severance), pension and benefit policies and plans that relate to employees other than executives and principal officers.
 - The Company's recruitment, development, promotion and retention programs.
 - The composition of the Company's workforce in terms of diversity and equal opportunity.
 - The appointment of officers principal officers and recommend the compensation of other appointed officers.
- The Committee may, in its discretion, form and delegate all or a portion of its authority to subcommittees.
- The Committee shall report regularly to the Board of Directors:
 - Following meetings of the Committee;
 - With respect to such other matters as are relevant to the Committee's discharge of its responsibilities; and
 - With respect to such recommendations as the Committee may deem appropriate. The report to the Board of Directors may take the form of an oral report by the Chairman or any other member of the Committee designated by the Committee to make such report.
- The Committee shall review and reassess, periodically, the adequacy of this Charter and recommend to the Board of Directors any improvements to this Charter that the Committee considers necessary or valuable. The Committee shall conduct such evaluations and reviews in such manner as it deems appropriate.
- The Committee shall make this charter available on the Company's website.

4- Committee formation and selection of its members

Committee Size

The Committee shall be formed by the Board of Directors and shall be comprised of not less than three (3) or more than five (5) Non-Executive members ~~of the Board~~, Two independent members should be among the appointed committee members, and the Board chairman not allowed to be the chairman of the Nomination & Remuneration committee

Reporting to the Board

The Nomination & Remuneration committee reports to the Board of Directors, Every meeting of the Committee should be followed by a minutes of meeting detailing the outcome of the meeting to the Board of Directors.

Rules for selecting committee members

There are a set of rules that the board of directors must take into account when selecting members of the Nomination & Remuneration committee, and whoever is appointed as a member of the Nomination & Remuneration committee is required to meet the following throughout the term of his membership in the committee:

- 1- The member of the Nomination & Remuneration committee must have an appropriate academic qualification and knowledge of the nature of the company's business.
- ~~2- To be a member of the company's board of directors.~~
- ~~3-2-~~ That the member must have a good reputation and good conduct.
- ~~4-3-~~ To refrain from engaging in any activity that may be in conflict with the interest of the company, or in competition with its business, or that may harm his ability to carry out his duties and responsibilities objectively.
- ~~5-4-~~ To allocate an appropriate time to perform the tasks entrusted to him to perform as a member of the committee.
- ~~6-5-~~ The member should have the appropriate technical, financial or administrative expertise.

All members of the Committee shall meet the independence and experience requirements to the extent required under all applicable regulatory requirements or stock exchange regulations. The Board shall determine annually whether each member of the Committee is independent in accordance with the requirements described above. Notwithstanding the foregoing membership requirements, no action of the Committee shall be invalid by reason of any such requirement not being met at the time such action is taken.

Members Appointment

Members of the Committee shall be appointed by the Board of directors, provided that obtaining Insurance Authority's prior no-objection on the nomination/appointment

~~The committee may include members from outside the board of directors~~

And may be removed by the Board at its discretion. Also, the Committee members shall be subject to reappointment by the Board after an interval of ~~three~~ Four years.

The General Assembly, as per the Board recommendation, issues a regulation for the Nomination and Remuneration Committee including its procedure, duties and rules for selecting its members, the term of their membership and their remunerations.

Chairman Selection

One of the members shall serve as the Chairman of the Committee. The Chairman of the Committee shall be designated by the Board or as desired by the Board of Directors, if no such designation is made, shall be selected by the affirmative vote of the majority of the Committee.

provided that obtaining Insurance Authority's prior no-objection on the nomination/appointment of the Chairman of the committee

5- Membership term, mechanisms for appointing and relieving committee members, and vacant positions

- 1- Taking into consideration the rules for selecting members of the Nomination & Remuneration Committee and the conditions that must be met by the members of the committee referred to above in these controls; The Board of Directors will compare between candidates for membership of the committee who meet the conditions, and the Board of Directors appoints the members of the committee for a period of ~~three~~ Four years (corresponding with the beginning and end of the Board of Directors' term) after obtaining a written no-objection from the Insurance Authority.

The Board of Directors shall take the necessary measures to enable the Committee to carry out the tasks entrusted to it.

- 2- The company's board of directors may exempt any member of the Nomination & Remuneration committee by a decision of the board in the following cases:

- a- The member requested to be exempted from membership in the committee or to submit his resignation from the membership of the board of directors.
 - b- Abuse his position in the committee or misconduct that the board considers harmful to the objectives and reputation of the company in general and the committee in particular.
 - c- Absence from attending three consecutive meetings without an excuse accepted by the Board of Directors.
 - d- The member has lost any of the conditions that must be met by the member of the committee referred to above.
 - e- The member's violation of the provisions of the Cooperative Insurance Companies Control Law, its implementing regulations, or the provisions of other relevant regulations and instructions.
- 3- Upon the expiry of a member's term, during the term of the committee's work, due to death, resignation, disability or exemption, the Board of Directors, after obtaining the Insurance Authority's no-objection in writing, appoints another member to fill the vacant position in the committee, and the new member completes his predecessor's term until the end of the committee's term Taking into account the conditions that must be met by the committee member.

6- Duties of a committee member

- 1- Regularly attending the committee's sessions and actively participating in its work
- 2- Preserving the company's secrets. A member of the committee may not disclose to the shareholders, other than in the general assembly, or to third parties, the company's secrets that came to his attention due to the performance of his work, otherwise he must change it, in addition to being held accountable for compensation for the damage that may result from that.
- 3- To exercise due diligence to carry out the work entrusted to him, and to keep abreast of recent developments related to the company's business.
- 4- To be characterized by justice and to display integrity, chastity, honesty, objectivity and independence when performing his work
- 5- To be free of personal interests, not to subject his judgment to the opinions of others, and not to disclose information that is not true.
- 6- The member shall not participate in any business or activities considered to be offensive to honor and honesty.
- 7- He shall not accept anything of significant value from an employee, affiliate, customer, supplier, or anyone who has a business relationship with the company that may lead to a weakness in the independence of the committee member in form and substance or affect or presumably affect his decisions.
- 8- To disclose to the Board of Directors the transactions that took place between him and the company and the nature of that relationship, as well as the relationship he has with the Board of Directors and the company's executive managers, in accordance with what is required by the code of conduct approved by the company.

7- Responsibilities of the Chairman of the Committee

The Chairman of the committee shall supervise the committee's achievement of all its tasks. The committee chairman shall have the following authorities:

- 1- Inviting the committee to convene and specifying the time, date and place of each committee meeting and the agenda, after coordination with the committee members.
- 2- Presiding over committee meetings.
- 3- Submitting the results and recommendations of the committee's work to the Board.

- 4- Preparing the committee's budget, its work plan, and its projects in the short and long term, in coordination with the committee's secretary, and presenting it to the committee in preparation for submitting it to the board of directors, after being approved by the committee.
- 5- When needed - Preparing periodic reports on the activities of the committee in coordination with the committee's secretary and presenting them to the committee in preparation for submission to the board of directors, after being approved by the committee. Copies of the committee's minutes are attached to these reports.
- 6- Representing the committee on the Board and in front of any other party that requires it.

8- Appointment of a secretary of the committee

- 1- The committee appoints a secretary from among the company's employees to undertake its administrative work, prepare minutes of its meetings, ensure that the committee chairman signs these minutes, and schedule committee meetings in coordination with its chairman.
- 2- The Insurance Authority's prior no-objection to the appointment of the committee Secretary should be obtained.
- 3- When choosing the committee secretary, it should be taken into account that he has the academic qualification and practical experience that enables him to carry out the tasks entrusted to him.
- 4- The secretary of the committee must document and keep the minutes of the committee's meetings in a special record for that.
- 5- The committee secretary must prepare a list of the committee's tasks and responsibilities and follow up on their implementation on a quarterly basis during the year with the committee chairman and members.

9- Committee Meetings

- 1- The Committee will meet at such times as shall be determined by its Chairman and its members, or upon the request of any two of its members.
- 2- The Nomination & Remuneration Committee meets periodically and whenever the need arises, The Committee shall meet at least two (2) Meetings a year.
- 3- No one other than the Committee members and the committee Secretary shall be entitled to be present at a meeting of the Committee, but others may attend at the invitation of the Committee
- 4- The agenda of each meeting will be prepared by the Chairman of the Committee with the assistance of the Committee Secretary and whenever reasonably possible, circulated with the related documents to each member in an appropriate period prior to the meeting date in compliance with the regulatory periods.
- 5- The committee meeting shall not be held unless at least half of its members are present.
- 6- The Chairman will preside, when present, at all meetings of the Committee. And In case of his absence he will delegate a member to preside the meeting. Each member of the Committee will have one vote. A majority of the members present at any meeting at which a quorum is present may act on behalf of the Committee.
- 7- The Committee will keep a record of its meetings and report on them to the Board.
- 8- The Committee may meet by telephone or video conference and may take action by unanimous written consent.

10- Committee decisions

- 1- The decisions and recommendations of the committee are issued by a majority vote of its members present, and in the event of equal votes, the side with the chairman shall prevail.
- 2- Any member may reserve any decision taken by the committee, provided that he states the reasons that led him to reserve. If any member leaves the committee meeting before its conclusion, his

reservation, if any, is limited to the decisions related to the items he attended for discussion, provided that he states in the minutes the items he did not attend the discussion if he expresses his desire in writing.

- 3- The committee secretary must record the opinions of all parties in the minutes of the meeting.

11- Documenting the minutes of the committee's meetings:

The minutes of the committee's meetings are documented as follows:

- 1- During the meeting, the Secretary of the Committee records the most important discussions and upon completion of the discussion of any topic, he summarizes the recommendations or decisions reached.
- 2- The Secretary of the Committee shall prepare for each of the Committee's meetings a draft minutes in which the date and place of the meeting, the names of those present and absent, a summary of the discussions and the texts of recommendations and decisions reached by the Committee shall be written and presented to the members of the Committee for approval.
- 3- The minutes of the meeting must be prepared and sent to the members within 15 days from the date of the meeting.
- 4- The signed copy of the minutes shall be kept in a special file and all documents related to the minutes shall be attached to it.

12- The Committee's plan and annual report to the Board of Directors and the Committee's evaluation

- 1- The committee shall prepare, before the beginning of each year, an annual plan that includes a timetable for the committee's meetings and a description of the work it will undertake during the year.
- 2- The committee must submit an annual report to the board of directors stating the number of committee meetings, the accomplished tasks assigned to the committee, what has not been accomplished, the reason for that, and the obstacles facing the committee in its work.
- 3- The Board of Directors, through the Nominations and Remunerations Committee or with the assistance of an external evaluation body, conducts the annual evaluation of the Committee and the Chairman and members of the Committee.

13- Committee's Scope of Work

In discharging its oversight role, the Committee is empowered to investigate any matter brought to its attention with full access to all books, records, facilities and personnel of the Company and the power to retain outside legal counsel, auditors or consultants, or incur other expenses for this purpose, which expenses the Company shall pay. The Committee may also meet with the Company's investment bankers or financial analysts who follow the Company. The Committee may require any officer or employee of the Company or any of its subsidiaries, the Company's outside legal counsel, and the Company's external auditors to meet with the Committee or any member of the Committee.

After getting Board of directors' approval, The Committee shall have the authority to retain any search firm and other advisors as it deems necessary to carry out its duties and shall have the authority to approve related fees and other retention terms and to cause the Company to pay such related fees.

The Board of Directors shall take all necessary measures to ensure that the Committee performs its duties.

14- Committee Members' Remuneration

The committee members are entitled to annual Remuneration for their membership in the committee, if the eligibility requirements have been fulfilled by the member.

The committee, members' remuneration shall be as per the Board resolution, based on Nomination & Remuneration committee recommendation, Board Members and committees' Remuneration Policies which is approved by the General Assembly, and provided within the parameters allowed by the law and regulations of Saudi Arabia.

15- Review & Amendments

The Committee shall develop, implement and review its own Charter annually and shall thereafter recommend its revised Charter for the Board's approval. The Board in return raises the charter to be approved in General Assembly meeting (in case the changes is required)

Policy review

Name	Ver.	date	responsibility
Nomination & Remuneration Committee Charter	1.03 1.04	28/04/2024	Board of Directors

Nomination & Remuneration Committee Approval

Name	Position	Signature
Ahmed Solaiman Al Muzaini	Committee Chairman	

Board of Directoers' Approval

Name	Position	Signature
Abdulaziz Ali Alturki	BOD Chairman	

General Assembly Approval

General Assembly	Date
Ordinary General Assembly Meeting	04/06/2024



إتحاد الخليج الأهلية للتأمين التعاوني
GULF UNION AL AHLIA COOPERATIVE INSURANCE

Thank You

Gulf Union Al Ahlia Cooperative Insurance

