

Key Amendments to the Corporate Governance Regulations

Article Number/Paragraph	Current Text	Text After Amendment
Preamble	<p>Compliance with corporate governance is a key element of the company's success, as it includes mechanisms to regulate various relationships between the Board of Directors, Executive Management, shareholders, and stakeholders. The implementation of a clear framework for transparency, disclosure, and accountability aims to serve the interests of shareholders and protect their rights and the rights of stakeholders, and to achieve justice, competitiveness, and transparency. Therefore, Arabia Insurance Cooperative Company has prepared its internal corporate governance regulation in accordance with the requirements of the Insurance and Reinsurance Companies Governance Regulation issued by the Saudi Central Bank, and the updated Corporate Governance Regulations issued by the Board of the Capital Market Authority. The Company's Board of Directors is keen for the regulation to be in accordance with best international practices and to be effective and fully implemented, believing that it is one of the ideal ways to lead the company to success.</p>	<p>Compliance with corporate governance is considered a primary element of the company's success as it includes mechanisms to regulate various relationships between the Board of Directors, Executive Management, shareholders, and stakeholders, and requires the application of a clear framework for transparency, disclosure, and accountability in a way that serves the interest of shareholders and protects their rights and the rights of stakeholders and achieves justice, competitiveness, and transparency. For this purpose, Arabia Insurance Cooperative Company has prepared its internal corporate governance regulation in accordance with the requirements of the Insurance Companies Governance Regulation issued by the Insurance Authority and the (updated) Corporate Governance Regulations issued by the Capital Market Authority. The Company's Board of Directors is also keen for the regulation to be in accordance with best professional practices and to be effective and fully implemented, believing that it is one of the ideal ways to lead the company to success.</p>
Company Overview	<p>The Company obtained Saudi Central Bank license No. (TMN-15-20086) dated 14/06/1429 H, corresponding to 18/06/2008 G, to practice insurance activity in accordance with the provisions of the Cooperative Insurance Companies Control Law and its Implementing Regulations.</p>	<p>The Company obtained the Saudi Central Bank (formerly Saudi Arabian Monetary Authority) license under No.: TMN/15/20086 dated 14/06/1429H (corresponding to 18/06/2008G) to practice insurance and reinsurance activity in accordance with the provisions of the Cooperative Insurance Companies Control Law</p>

		and its Implementing Regulations. Following Council of Ministers Resolution No. (85) dated 28/01/1445H regarding the organization of the Insurance Authority, the Company began operating under the supervision of the Insurance Authority with the same license No.: TMN/15/20086 dated 14/06/1429H.
Article 1: Reference of the Governance Regulations	Addition	3. The Implementing Regulation of the Companies Law for Listed Joint Stock Companies and its amendments.
Article 1: Reference of the Governance Regulations	Addition	6. The Investment Regulation issued by the Insurance Authority.
Article 2: Definitions	Addition	Indirect Interest: It is the interest that arises for a Board member or an official as a result of transactions or contracts concluded by the company with parties to whom the member or official has a connection or ownership in entities dealing with the company, as determined by the law and regulations.
Article 2: Definitions	Stakeholders: Every person who has an interest with the company, such as shareholders, employees, creditors, suppliers, and customers.	Stakeholders: Any person who has an interest in the company, including shareholders, employees, creditors, suppliers, customers, the Insurance Authority, and others.
Article 3: Objectives of the Regulations	4. Enhancing oversight and accountability mechanisms for company employees, and providing the necessary means and tools for the Board of Directors to monitor and evaluate the performance of executive departments.	4. Enhancing oversight and accountability mechanisms for company employees by the Board of Directors and the accountability of the Board by shareholders and other stakeholders.
Article 4: Legal Liability	Addition	The General Assembly's approval to discharge the members of the Board of Directors from liability shall not prevent the filing of a liability lawsuit.

<p>Article 4: Legal Liability</p>	<p>A liability lawsuit is not heard after the lapse of three years from the date of discovery of the harmful act, and except for cases of fraud and forgery, a liability lawsuit is not heard in all cases after five years from the date of the occurrence of the harmful act or three years from the expiration of the membership of the concerned Board member, whichever is later.</p>	<p>A liability lawsuit is not heard after the lapse of three years from the date of discovery of the harmful act, and except for cases of fraud and forgery, a liability lawsuit is not heard in all cases after five years from the date of the end of the fiscal year in which the harmful act occurred or three years from the expiration of the membership of the concerned Board member, whichever is later.</p>
<p>Article 5: Independence</p>	<p>There must be a high level of independence in decision-making at the company level, which can be achieved, for example but not limited to, by separating the duties of the Board and management, and enhancing the independence of control functions (Internal Audit Department, Compliance Department, and Risk Management Department), and avoiding conflict of interests.</p>	<p>There must be a high level of independence in decision-making at the company level, which can be achieved, for example but not limited to, by separating the duties of the Board and management, and enhancing the independence of control functions (Internal Audit Department, Compliance Department, and Risk Management Department), and avoiding conflict of interests. The Board of Directors should benefit from the services of independent external parties to verify the adequacy and effectiveness of the company's governance structure and procedures, and other technical aspects in which the Board of Directors does not have good knowledge and experience.</p>
<p>Article 6: Fair Treatment of Shareholders</p>	<p>Shareholders have the right to communicate their views and inquiries to the Board of Directors and executive management on a regular basis (for example, through the General Assembly or Investor Relations).</p>	<p>Shareholders have the right to communicate their views and inquiries to the Board of Directors and executive management on a regular basis (for example, through the General Assembly or the Investor Relations Department).</p>
<p>Article 8: Shareholder Access to Information</p>	<p>The Board of Directors is committed to providing complete, clear, correct, and non-misleading information to enable the shareholder to exercise his right, and the means of providing information must be effective and characterized by clarity and detail, including a statement of the company information that the shareholder has the right to access.</p>	<p>The Board of Directors is committed to providing complete, clear, correct, and non-misleading information to enable the shareholder to exercise his right, and the means of providing information must be effective and characterized by clarity and detail, including a statement of the company information that the shareholder has the right to access. The most effective means of communicating with shareholders must be followed, and there</p>

		should be no discrimination among them in providing information.
Article 9: Communication with Shareholders	The Chairman of the Board of Directors and the CEO must inform the rest of the Board members of the shareholders' views and discuss them, and provide a mechanism for responding to their inquiries and complaints.	The Chairman of the Board of Directors and the CEO must inform the rest of the Board members of the shareholders' views and discuss them, and provide a mechanism for responding to their inquiries and complaints.
Article 10: Obtaining Profits	The shareholder is entitled to his share in the profits according to the resolution of the General Assembly issued in this regard, and the resolution specifies the entitlement date and the distribution date.	The General Assembly determines the percentage to be distributed to the shareholders from the net profits after deducting reserves – if any – and the Board of Directors must set a clear policy regarding dividend distribution in a way that achieves the interests of the shareholders and the company, in accordance with the relevant laws and regulations. The shareholder is entitled to his share in the profits according to the resolution of the General Assembly issued regarding the distribution of dividends to shareholders, or the Board of Directors' resolution to distribute interim dividends.
Article 12: Right to Attend General Assemblies	Every shareholder who is unable to attend may authorize another person from other than Board members or company employees to attend the General Assembly.	Every shareholder who is unable to attend may authorize another person from other than Board members or company employees to attend the General Assembly, in accordance with the relevant laws and regulations.
Article 15: General Assembly Agenda	Shareholders who own at least (5%) of the company's shares may add one or more topics to the agenda of the General Assembly when it is prepared.	Shareholders who own at least 10% of the company's shares may add one or more topics to the agenda of the General Assembly when it is prepared.
Article 17: Management of the Shareholders' Assembly	1. General Assembly meetings of shareholders are held under the chairmanship of the Chairman of the Board of Directors, or his deputy in his absence, or whomever the Board of Directors	1. General Assembly meetings of shareholders are held under the chairmanship of the Chairman of the Board of Directors, or his deputy in his absence, or whomever the Board of Directors

	<p>delegates from among its members for that purpose in the absence of the Chairman of the Board and his deputy. In case that is not possible, the General Assembly is chaired by whomever the shareholders delegate from among the Board members or others through voting. 2. The chairman of the shareholders' assembly must commit to allowing shareholders to effectively participate and vote in General Assembly meetings, and avoid taking any measure that leads to obstructing shareholders' access to the General Assembly or their exercise of the right to vote, and informing shareholders of the views of the Board of Directors regarding the topics included in the agenda. 3. Shareholders shall have the right to discuss the topics included in the agenda of the Assembly and direct questions regarding them to the members of the Board of Directors and the auditor, and the Board of Directors or the auditor shall answer the shareholders' questions to the extent that does not expose the company's interest to harm. 4. Shareholders must be provided with all information that enables them to exercise their rights to the fullest extent, and this information must be clear and accurate, and this information must be updated periodically and regularly and at the specified times, and the most effective means of communicating with shareholders must be used.</p>	<p>delegates from among its members for that purpose in the absence of the Chairman of the Board and his deputy. In case that is not possible, the General Assembly is chaired by whomever the shareholders delegate from among the Board members or others through voting. 2. The chairman of the shareholders' assembly must commit to allowing shareholders to effectively participate and vote in General Assembly meetings, and avoid taking any measure that leads to obstructing shareholders' access to the General Assembly or their exercise of the right to vote, and informing shareholders of the views of the Board of Directors regarding the topics included in the agenda. 3. Shareholders shall have the right to discuss the topics included in the agenda of the Assembly and direct questions regarding them to the members of the Board of Directors and the auditor, and the Board of Directors or the auditor shall answer the shareholders' questions to the extent that does not expose the company's interest to harm. 4. Shareholders must be provided with all information that enables them to exercise their rights to the fullest extent, and this information must be clear and accurate, and this information must be updated periodically and regularly and at the specified times, and the most effective means of communicating with shareholders must be used. 5. No shareholder may attend the General Assembly meeting, discuss the topics included in its agenda, and vote on its resolutions if he has an interest in the topics included in the agenda.</p>
<p>Article 18: Voting Rights in Assemblies</p>	<p>Board members may not participate in voting on the Assembly's resolutions related to discharging them from liability for the company's management or those related to a direct or indirect interest for them.</p>	<p>Board members may not participate in voting on the resolutions of the General Assembly related to business and contracts in which they have a direct or indirect interest or involve a conflict of interest, in accordance with the Companies Law and its Implementing Regulations.</p>

Article 21: Assembly Resolutions	Ordinary General Assembly resolutions are issued by an absolute majority of the shares represented at the meeting.	Ordinary General Assembly resolutions are issued by an absolute majority of the shares represented at the meeting, unless the company's bylaws stipulate a higher percentage.
Article 22: Competencies of the Extraordinary General Assembly	Reducing capital if it exceeds the company's need or if it suffers losses after the approval of the competent authorities. Provided that the paid-up capital of the insurance company after reducing capital is not less than (100) one hundred million riyals.	Reducing capital if it exceeds the company's need or if it suffers losses - after the approval of the competent authorities - provided that the paid-up capital of the insurance company after reducing capital is not less than (300) three hundred million riyals and in accordance with the conditions prescribed in the Companies Law and its Implementing Regulations.
Article 23: Competencies of the Ordinary General Assembly	Licensing a Board member to have a direct or indirect interest in the business and contracts that are carried out for the company's account, based on an annual authorization from the Ordinary General Assembly.	Licensing a Board member to have a direct or indirect interest in the business and contracts that are carried out for the company's account, in accordance with the provisions of the Companies Law and its Implementing Regulations.
Dividend Distribution Policy	Dividends are distributed based on the recommendation of the company's Board of Directors and the approval of the General Assembly, taking into account the requirements of the Saudi Central Bank.	Dividends are distributed based on the recommendation of the company's Board of Directors and the approval of the General Assembly, taking into account the requirements of the Insurance Authority and relevant regulations.
Article 24: Election of Board Members	The procedures for nominating, selecting, and appointing Board members are in accordance with the policy for that and approved by the General Assembly of shareholders - Policy and Procedures for Board Membership. After obtaining the non-objection of the Central Bank on the candidates, the company announces on the market's website information about the candidates for Board membership upon publishing or directing the invitation to convene the General Assembly. Provided that this information includes a description of the candidates' experiences, qualifications, skills, jobs, and previous and current	The procedures for nominating, selecting, and appointing Board members are in accordance with the policy and criteria for that and approved by the General Assembly of shareholders. After obtaining the non-objection of the Insurance Authority on the candidates, the company announces on the market's website information about the candidates for Board membership upon publishing or directing the invitation to convene the General Assembly, provided that this information includes a description of the candidates' experiences, qualifications, skills, jobs, and previous and current memberships, and the company must also

	<p>memberships. The company must also provide a copy of this information at its main center and website. The General Assembly elects Board members for the period stipulated in the company's bylaws, specified as three years. They may always be re-elected unless the company's bylaws stipulate otherwise. Cumulative voting must be used in electing the Board so that it is not permitted to use the voting right for a share more than once. Voting in the General Assembly is limited to candidates for Board membership whose information the company announced according to paragraph (2) of this article. Board members, upon joining the Board, must undergo an introductory program and each member must be provided with an appointment letter specifying his tasks and responsibility in addition to comprehensive information about the company's business and its strategic plans and about relevant laws and regulations.</p>	<p>provide a copy of this information at its main center and website. The General Assembly elects Board members for the period stipulated in the company's bylaws, specified as four years, and they may always be re-elected unless the company's bylaws stipulate otherwise. Cumulative voting must be used in electing the Board, so that it is not permitted to use the voting right for a share more than once. Voting in the General Assembly is limited to candidates for Board membership whose information the company announced according to paragraph (2) of this article. Board members, upon joining the Board, must undergo an introductory program and each member must be provided with an appointment letter specifying his tasks and responsibilities in addition to comprehensive information about the company's business and its strategic plans and about relevant laws and regulations.</p>
<p>Article 25: Expiration of Board Membership</p>	<p>Board membership ends with the expiration of its term or with the expiration of the member's validity according to any system or instructions in force in the Kingdom. However, the Ordinary General Assembly may at any time dismiss all or some Board members even if the company's bylaws stipulate otherwise, without prejudice to the dismissed member's right towards the company to claim compensation if the dismissal occurred for an unacceptable reason or at an inappropriate time. A Board member may resign, provided that it is at an appropriate time, otherwise he is responsible before the company for the damages resulting from his resignation.</p>	<p>Board membership ends with the expiration of its term or with the expiration of the member's validity according to any system or instructions in force in the Kingdom. However, the Ordinary General Assembly may dismiss all or some Board members, without prejudice to the dismissed member's right towards the company to claim compensation if the dismissal occurred for an unacceptable reason or at an inappropriate time. A Board member may resign, provided that it is at an appropriate time, otherwise he is responsible before the company for the damages resulting from his resignation.</p>
<p>Article 29: Duties of Board Members</p>	<p>Duties of Board members: A Board member is committed to the duties of care and loyalty, and in particular the following: Performing his tasks and responsibilities with full integrity and</p>	<p>Duties of Board members: A Board member is committed to the duties of care and loyalty, and in particular the following: Performing his tasks and responsibilities with full integrity and</p>

	<p>independence. Allocating sufficient time to perform his tasks and responsibilities. Attending Board and committee meetings. Maintaining company secrets.</p>	<p>independence. Allocating sufficient time to perform his tasks and responsibilities. Attending Board and committee meetings. Maintaining company secrets. Avoiding cases of conflict of interest and disclosing any direct or indirect interest in business and contracts carried out for the company's account.</p>
<p>Article 31: Chairman of the Board</p>	<p>The Chairman of the Board of Directors is responsible for leading the Board and supervising the course of its work, and has in particular the following tasks: Inviting the Board to meet and setting the agenda. Presiding over Board meetings and General Assemblies of shareholders. Ensuring the provision of sufficient information to Board members.</p>	<p>The Chairman of the Board of Directors is responsible for leading the Board and supervising the course of its work, and has in particular the following tasks: Inviting the Board to meet and setting the agenda. Presiding over Board meetings and General Assemblies of shareholders. Ensuring the provision of sufficient information to Board members. It is not permitted to combine the position of Chairman of the Board and any executive position in the company.</p>
<p>Article 35: Conflict of Interest</p>	<p>A Board member may not, without a prior license from the General Assembly renewed every year, participate in any work that would compete with the company, or trade in one of the branches of activity that it practices. If a Board member wishes to participate in work that would compete with the company, or practice one of its activities, he must inform the Board of Directors of that desire, and record that in the minutes of the Board meeting, and the interested member does not participate in voting on the resolution issued in this regard in the Board of Directors and shareholders' assemblies.</p>	<p>A Board member may not participate in any work that would compete with the company, or practice any of the company's activities, except in accordance with the controls and procedures prescribed in the Companies Law and its Implementing Regulations. A Board member must disclose to the Board his personal interest in the business and contracts that are carried out for the company's account, and this disclosure is recorded in the minutes of the meeting, and the interested member may not participate in voting on the resolution issued in this regard in the Board of Directors and shareholders' assemblies.</p>
<p>Article 41: Meeting Minutes</p>	<p>Board minutes must be signed by the chairman of the session and the Board members present.</p>	<p>Board minutes must be signed by the Chairman of the Board and its members present.</p>
<p>Article 44: Formation of Committees</p>	<p>1. The Board of Directors forms specialized committees to expand the scope of its work according to the company's need</p>	<p>The Board of Directors forms specialized committees to expand the scope of its work according to the company's need and</p>

and circumstances, and they must include at a minimum the Executive Committee, the Audit Committee, the Nomination and Remuneration Committee, the Investment Committee, and the Risk Management Committee. 2. The Board has the power to form any other committees it deems necessary to assist it in carrying out the tasks and responsibilities assigned to it - for example but not limited to - Compliance Governance Disclosure Committee, Human Resources and Strategic Development Committee.. etc., and to grant these committees the necessary powers to perform their work and monitor their performance. 3. The formation of committees is in accordance with what is stipulated in relevant laws and regulations. 4. The number of committee members is not less than three and not more than five. 5. The non-objection of the Central Bank must be obtained on the appointment of chairmen and members of the emanating committees, and the company must notify the Authority of the names of committee members and their membership status within five working days from the date of their appointment and any changes that occur to that within five working days from the date of those changes. 6. The Board of Directors must approve a regulatory regulation for each of the committees it forms, and each of these committees must have general procedures set by the Board of Directors specifying the committee's tasks, term and scope of work, and the powers granted to it, and the responsibilities assigned to it, and the Board's oversight mechanism over it. 7. Each committee is responsible for its actions before the Board of Directors, and this does not prejudice the Board's responsibility for those actions and for the powers or authorities it delegated to them. 8. Committee chairmen or their delegates from among their members must attend General Assemblies to answer shareholders' questions. 9. Committee members or parties related to them, upon issuing or renewing

circumstances, and they must include at a minimum the Executive Committee, the Audit Committee, the Nomination and Remuneration Committee, the Investment Committee, and a Risk Management Committee. The Board has the power to form any other committees it deems necessary to assist it in carrying out the tasks and responsibilities assigned to it - for example but not limited to - Governance Committee, Strategic Development Committee, Digital Transformation Committee, and others. Provided that these committees are granted the necessary powers to perform their work and it monitors their performance. Committee formation is in accordance with what is stipulated in relevant laws and regulations. The number of committee members is not less than three and not more than five. The non-objection of the Insurance Authority must be obtained in writing on the appointment of chairmen and members of the emanating committees, and the company must notify the Authority of the names of committee members and their membership status within five working days from the date of their appointment and any changes that occur to that within five working days from the date of those changes. The Board of Directors must approve a regulatory regulation for each of the committees it forms, and each of these committees must have general procedures set by the Board of Directors specifying the committee's tasks, term and scope of work, and the powers granted to it, and the responsibilities assigned to it, and the Board's oversight mechanism over it. Each committee is responsible for its actions before the Board of Directors, and this does not prejudice the Board's responsibility for those actions and for the powers or authorities it delegated to them. Committee chairmen or their delegates from among their members must attend General Assemblies to answer shareholders' questions. No member of the Board of Directors or executive management, except the

	<p>any insurance policy from the company, must pay the due premium and disclose to the Board of Directors immediately according to statutory requirements, and it is treated and priced or any claim related to those policies in accordance with the regulation applied to customer claims and without preferential treatment, and the Statutory Controller must be notified of any compensation due to the member. 10. The company may not provide a cash loan of any kind to committee members, or guarantee any loan contracted by one or more of them with third parties. 11. Board committees may seek assistance from any external advisory body to perform specific tasks to assist them in performing their work.</p>	<p>committee's secretary and committee members, has the right to attend its meetings unless the committee requests to hear his opinion or obtain his advice.</p>
<p>Article 45: Formation of the Committee (Audit Committee)</p>	<p>(a) The Audit Committee is an independent committee that reports directly to the company's Board of Directors and is specialized in monitoring the performance and application of internal control systems in the company and ensuring the efficiency and effectiveness of the systems and verifying the implementation of decisions related to internal monitoring and ensuring compliance with the application of the Cooperative Insurance Companies Control Law and its Implementing Regulations and other relevant laws, regulations, and instructions in addition to the competencies mentioned later in this chapter. (b) The Audit Committee is formed by a resolution from the Board of Directors after obtaining the non-objection of the Saudi Central Bank, provided that the number of its members is not less than three and not more than five, and that the majority of them are from outside the Board of Directors, whether from shareholders or others, and the committee's tasks, work controls, and members' remunerations must be specified in the resolution. (c) The Board member nominated for committee membership must</p>	<p>The Audit Committee is an independent committee that reports directly to the company's Board of Directors and is specialized in monitoring the performance and application of internal control systems in the company and ensuring the efficiency and effectiveness of the systems and verifying the implementation of decisions related to internal control and ensuring compliance with the application of the Cooperative Insurance Companies Control Law and its Implementing Regulations and other relevant laws, regulations, and instructions in addition to the competencies mentioned later in this chapter. The Board of Directors must obtain the non-objection of the Insurance Authority in writing on the selection of Audit Committee members, and the Audit Committee must be formed by a resolution from the Board of Directors provided that the number of its members is not less than three and not more than five and that it does not include any executive Board members, and that the majority of them are from outside the Board of Directors, whether from shareholders or others, and the committee's tasks,</p>

	<p>be independent. (d) The Audit Committee member must not be a member of the Board of Directors or an audit committee of any other company operating in the insurance sector in the Kingdom of Saudi Arabia and must not hold membership in audit committees in more than five listed companies at the same time. (e) The Chairman of the Board of Directors may not be a member of the Audit Committee or its chairman.</p>	<p>work controls, and members' remunerations must be specified in the resolution. The majority of Audit Committee members must be independent members. The Board member nominated for committee membership must be independent. The Audit Committee member must not be a member of the Board of Directors or an audit committee of any other company operating in the insurance sector in the Kingdom of Saudi Arabia. The Chairman of the Board of Directors may not be a member of the Audit Committee or its chairman.</p>
<p>Article 46: Expiration of Membership</p>	<p>Audit Committee membership ends with the expiration of the Board of Directors' term, and the committee or one of its members may be renewed for another three years for one time only. The Board of Directors may appoint new members to the Audit Committee in case a new Board of Directors is elected after obtaining the non-objection of the Central Bank in writing, and the appointment shall be in accordance with what is stated in paragraph (a) of Article Forty-Five of these regulations. Audit Committee membership also ends immediately if any change occurs that would prejudice the membership conditions mentioned in the Regulation of Audit Committees in Insurance and Reinsurance Companies issued by the Central Bank or any other laws, regulations, instructions, or decisions issued by the competent authorities. The Audit Committee member must inform the company in writing as soon as this change occurs, and the Audit Committee member may not attend any committee meeting held after the date of the change's occurrence. The Board of Directors, after obtaining the non-objection of the Saudi Central Bank, has the right to dismiss any of the Audit Committee members in case of losing membership conditions or committing a violation of the provisions of the Regulation of Audit</p>	<p>Audit Committee membership ends with the expiration of the Board of Directors' term, and the committee or one of its members may be renewed for another four years for one time only. The Board of Directors may appoint new members to the Audit Committee in case a new Board of Directors is elected after obtaining the non-objection of the Insurance Authority in writing, and the appointment shall be in accordance with what is stated in paragraph (a) of Article Forty-Five of these regulations. Audit Committee membership also ends immediately if any change occurs that would prejudice the membership conditions mentioned in the Regulation of Audit Committees in Insurance and Reinsurance Companies issued by the Insurance Authority or any other laws, regulations, instructions, or decisions issued by the competent authorities. The Audit Committee member must inform the company in writing as soon as this change occurs, and the Audit Committee member may not attend any committee meeting held after the date of the change's occurrence. The Board of Directors, after obtaining the non-objection of the Insurance Authority, has the right to dismiss any of the Audit Committee members in case of losing membership conditions or committing a violation of the provisions of the Regulation of Audit</p>

	<p>Committees in Insurance and Reinsurance Companies or the provisions of the Cooperative Insurance Companies Control Law or its Implementing Regulations or the provisions of the Companies Law or the provisions of other relevant regulations and instructions. An Audit Committee member has the right to resign provided that he submits his resignation request in advance to the Board of Directors one month before the date of his resignation's effectiveness and at an appropriate time acceptable to the Board of Directors, otherwise he is responsible before the company. The company must notify the Saudi Central Bank in writing of the member's resignation and the reasons for his resignation and provide the Central Bank with a copy of the resignation request within five working days from its date. A member is considered resigned from the Audit Committee if he fails, without an excuse accepted by the Board of Directors, to attend Audit Committee meetings for more than three consecutive sessions.</p>	<p>Committees in Insurance and Reinsurance Companies or the provisions of the Cooperative Insurance Companies Control Law or its Implementing Regulations or the provisions of the Companies Law or the provisions of other relevant regulations and instructions. An Audit Committee member has the right to resign provided that he submits his resignation request in advance to the Board of Directors one month before the date of his resignation's effectiveness and at an appropriate time acceptable to the Board of Directors, otherwise he is responsible before the company. The company must notify the Insurance Authority in writing of the member's resignation and the reasons for his resignation and provide the Insurance Authority with a copy of the resignation request within five working days from its date. A member is considered resigned from the Audit Committee if he fails, without an excuse accepted by the Board of Directors, to attend Audit Committee meetings for more than three consecutive sessions. An Audit Committee member's membership ends immediately if any change occurs that would prejudice the membership conditions mentioned in the Regulation of Audit Committees in Insurance and Reinsurance Companies or relevant laws.</p>
<p>Article 47: Vacant Seat on the Committee</p>	<p>If one of the Audit Committee members' seats becomes vacant during the membership term, the Board of Directors appoints another member within a maximum period of one month from this seat becoming vacant - after obtaining the non-objection of the Saudi Central Bank, and the new member completes his predecessor's term.</p>	<p>If one of the Audit Committee members' seats becomes vacant during the membership term and this vacancy has an impact on the quorum for committee meetings, the Board of Directors appoints within a maximum period of one month from this seat becoming vacant - after obtaining the non-objection of the Insurance Authority in writing - another member in the vacant seat, and the new member completes his predecessor's term.</p>

<p>Article 49: Appointment of Committee Chairman and Secretary</p>	<p>The Board of Directors appoints one of the Audit Committee members as its chairman after obtaining the non-objection of the Saudi Central Bank in writing.</p>	<p>The Board of Directors appoints one of the Audit Committee members as its chairman after obtaining the non-objection of the Insurance Authority in writing. The Chairman of the Audit Committee must be independent.</p>
<p>Article 54: Appointment of the Company's Auditors</p>	<p>The total term of work for the auditor must not exceed seven continuous or separate fiscal years, and the Authority may, based on its assessment, adjust this period for any company or sector, and this period is re-calculated after the lapse of at least three continuous fiscal years from the date of the expiration of the last fiscal year in which he worked on auditing the company's accounts.</p>	<p>The audit period carried out by the audit firm must not exceed five continuous years, and a period of two years must lapse before auditing them again.</p>
<p>Article 66: Responsibilities and Tasks of the Committee (Executive Committee)</p>	<p>The Committee is responsible for setting the operational processes, policies, and procedures to be followed during the execution of daily operations in the company, and the Committee should also exercise care to ensure compliance with these procedures, and identify obstacles that prevent compliance with these policies and procedures and provide action plans that contribute to overcoming these obstacles.</p>	<p>Setting the operational processes, policies, and procedures to be followed during the execution of daily operations in the company, and the Committee should also exercise care to ensure compliance with these procedures, and identify obstacles that prevent compliance with these policies and procedures, and provide action plans that contribute to overcoming these obstacles.</p>
<p>Article 93: Formation of the Committee (Investment Committee)</p>	<p>The Board of Directors must obtain the non-objection of the Central Bank in writing on the appointment of Risk Management Committee members who possess relevant qualifications and experiences, provided that the number of its members is not less than three and not more than five Board members, and the Investment Committee may consist of executive and non-executive members and its membership term is linked to the Board's cycle.</p>	<p>The Board of Directors must obtain the non-objection of the Insurance Authority in writing on the appointment of Risk Management Committee members who possess relevant qualifications and experiences, provided that the number of its members is not less than three and not more than five from among Board members or from outside it. The Investment Committee may consist of independent executive and non-executive members and members must possess sufficient experience in investment activities, and its membership term is linked to the Board's cycle.</p>

<p>Article 100: Purpose</p>	<p>Objectives and Bases of the Policy: Stimulating leading the company successfully and in a way that reflects positively on the company and its shareholders. Achieving long-term growth in line with the company's strategy and achieving its goals. Ensuring the existence of transparency and fairness in remunerations. Contributing to attracting and recruiting qualified cadres for the Board of Directors, emanating committees, senior management, and employees of all grades. Taking into account best practices in determining remunerations. The Board of Directors ensures that the level and structure of remunerations and compensations is fair and consistent with the company's goals, and does not cause a conflict of interest that would negatively affect the company and its shareholders, and achieves the interests of policyholders and shareholders.</p>	<p>Purpose: This policy aims to organize and determine the mechanism for adopting remunerations and compensations for members of the Company's Board of Directors, members of its emanating committees, the secretary of the Board and committees, and members of executive management, including setting the necessary criteria and controls for determining those remunerations and linking them to performance, mechanisms for disclosing them, and verifying commitment to their application, in accordance with relevant laws and regulations. This policy also aims to stimulate the company's leadership towards achieving distinguished performance and in a way that reflects positively on the company and its shareholders, and support achieving long-term sustainable growth in line with the company's strategy and its goals, with emphasis on the availability of principles of fairness and transparency in determining remunerations and compensations. This policy seeks to contribute to attracting and maintaining qualified competencies for the Board of Directors, its emanating committees, executive management, and employees at various functional levels, while taking into account best practices in the field of determining remunerations, in a way that ensures the level and structure of remunerations and compensations is fair and consistent with the company's goals, and that no conflict of interest arises that may negatively affect the company or its shareholders, and in a way that achieves the interests of both policyholders and shareholders alike, and enhances the safety, stability, and sustainability of the company's financial position.</p>
<p>Article 101: General Framework for Determining Remunerations</p>	<p>Does not exist</p>	<p>Taking into account other relevant laws and regulations issued by regulatory authorities, the Board of Directors, when determining and paying remunerations received by its members, must adhere</p>

to the relevant provisions contained in the Companies Law and Corporate Governance Regulations, taking into account the following: Remunerations must be fair and proportionate to the member's competencies, and the nature and volume of business and responsibilities he undertakes, and in harmony with the goals intended to be achieved during the fiscal year. Remunerations must be consistent with the results of the periodic evaluation of the performance of Board members, members of its emanating committees, and members of executive management, in a way that aligns with the company's strategy, goals, and performance in the short and long term. Taking into account the harmony of the remuneration structure and level with the company's strategy and goals, and with the volume, nature, and degree of risks faced by the company. Remunerations must be proportionate to the company's activity in the insurance sector, and the degree of risks associated with it, and the skills and experiences necessary for membership in the Board of Directors and its emanating committees or for assuming executive positions in the company. Taking into account the nature and complexities of the work of the insurance sector, the volume of the company's business, and the experience of each member of the Board of Directors and members of executive management each as appropriate. Remunerations must be sufficient and reasonable to attract members and executive leaders of appropriate competence and experience, and contribute to stimulating them to perform their tasks effectively. The possibility of varying the amount of remunerations among members to reflect different levels of experience, specialization, assigned tasks, and other relevant considerations. Requiring the commitment of a Board member and/or member of a subsidiary committee to attend at least two-thirds of the meetings held during the company's fiscal year, at a minimum for remuneration entitlement, regarding Board and

		<p>committee members. The remuneration of independent Board members must not be a percentage of the profits achieved by the company, or be based directly or indirectly on the company's profitability. Determining the annual remuneration – in case of appointment or expiration of membership during the fiscal year – based on the period of actual membership, and in proportion to the date of appointment and date of membership expiration, and provided that the minimum requirement of attending two-thirds of the meetings held during the membership period is achieved.</p>
<p>Article 102: Criteria for Remunerations</p>	<p>Remunerations for Board members shall be in accordance with what is stipulated in the company's bylaws and relevant laws and regulations, provided that the Board of Directors adopts the remuneration and compensation policy for Board members, emanating committees, and executives in accordance with statutory requirements. Board members' remuneration shall be a certain amount or an attendance allowance for sessions or in-kind benefits or a certain percentage of net profits, and two or more of these benefits may be combined. In case the company achieves profits, a percentage equivalent to (10%) of the remaining net profit after deducting reserves may be distributed. In all cases, the total of what a Board member receives in terms of remunerations and financial or in-kind benefits shall not exceed five hundred thousand riyals annually (members of the Audit Committee are excluded from that). A Board member is not entitled to any remuneration in case of not attending less than two-thirds of the meetings during the year or being absent for three consecutive sessions.</p>	<p>First: Remunerations of Board members and its emanating committees: Remunerations of Board members and members of its emanating committees shall be in accordance with what is stipulated in the company's bylaws and relevant laws and regulations, and in a way that aligns with the company's strategy and contributes to achieving its goals. Remunerations of Board members and members of its emanating committees shall be a certain amount or an attendance allowance for sessions, or in-kind benefits, or a certain percentage of net profits, and two or more of these benefits may be combined, and the Ordinary General Assembly determines the amount of Board members' remunerations, provided that remunerations are taken into account to be fair and stimulating and proportionate to the member's performance and company's performance, without prejudice to what relevant regulations decide regarding committee remunerations. A Board member may receive remuneration in exchange for any business or executive, technical, administrative, or advisory positions – under a professional license – assigned to him in the company, in accordance with the Companies Law and company's bylaws. Board members may not vote on the Board members'</p>

		<p>remuneration item in the General Assembly meeting. Board members or members of its emanating committees who are absent shall not be entitled, when the General Assembly terminates their membership, in case of absence from three consecutive meetings or five separate meetings during their membership term without a legitimate excuse, to any remunerations for the period following the last meeting they attended, and they must return the remunerations paid to them for that period. (Remuneration Components): Session attendance allowance 3,000 riyals, Emanating committees' attendance allowance excluding audit 2,000 riyals, Board Secretary's remuneration 2,000 riyals, Secretaries of emanating committees' remuneration 1,500 riyals.</p>
<p>Executive Management Remunerations</p>	<p>Basic salary for executive management is determined according to the company's salary scale, provided that in determining the salary, academic and professional qualifications, practical experience, nature of the job, and assigned tasks and responsibilities are taken into account, and in accordance with the prevailing salaries in the market. Includes performance remuneration which is given discretionally to stimulate senior executives or executive management, and is based on the company's overall performance and individual manager's performance. Remunerations based on performance are determined according to the evaluation prepared by the Nomination and Remuneration Committee and are on the basis of basic salary and not based on total income or a percentage of operational profits.</p>	<p>Second: Executive Management Remunerations: Basic salary for executive management is determined according to the company's salary scale, provided that in determining the salary, academic and professional qualifications, practical experience, nature of the job, and assigned tasks and responsibilities are taken into account, and in accordance with the prevailing salaries in the market, in addition to other allowances according to the company's internal policy such as housing allowance and transportation allowance. Includes performance remuneration which is given discretionally to stimulate senior executives or executive management, and is based on the company's overall performance and individual manager's performance. Remunerations based on performance are determined according to the evaluation prepared by the Nomination and Remuneration Committee. Executive management remunerations are recommended to the Board of Directors by the Nomination and Remuneration Committee. Payment of remuneration may be</p>

		suspended or recovered if it is found that it was decided based on inaccurate information provided by the executive management member.
Article 103: Disclosure of Remunerations	The Board of Directors' report to the Ordinary General Assembly must include a comprehensive statement of everything Board members received during the fiscal year in terms of remunerations, expense allowances, and other benefits. It must also include a statement of what Board members received in their capacity as employees or administrators or what they received in exchange for technical or administrative work or consultations. Disclosure of remunerations and compensations paid to five of the senior executives who received the highest remunerations from the company provided that the CEO and CFO are included among them in the Board of Directors' report.	The Board of Directors is committed to the following: Disclosing the remuneration policy and how the remunerations of Board members and executive management in the company are determined. Disclosing accurately, transparently, and in detail in the Board of Directors' report the remunerations granted to Board members and executive management directly or indirectly, without concealment or deception, whether they are amounts, benefits, or advantages, whatever their nature and name. If the benefits are shares in the company, the value entered for the shares is the market value at the entitlement date. Clarifying the relationship between the granted remunerations and the applicable remuneration policy, and stating any material deviation from this policy. Stating necessary details regarding remunerations and compensations paid to each of the following separately: Board members, five of senior executives who received highest remunerations from company provided that CEO and CFO are included among them, committee members.
Article 104: Evaluation System	The company must have a system for evaluating its employees' performance at all levels objectively and systematically and it should be built on the long term. The Nomination and Remuneration Committee must ensure that an annual review of remuneration and compensation practices in the company is conducted by the Internal Audit Department or a specialized external party and without intervention from company senior management. The company must have a remuneration and compensation structure for employees in control departments	The company must have a system for evaluating its employees' performance at all levels objectively and systematically and it should be built on the long term. The Board of Directors – based on the proposal of the Nomination Committee – sets the necessary mechanisms to evaluate the performance of the Board, its members, its committees, and executive management annually; through appropriate performance measurement indicators linked to the extent of achieving the company's strategic goals, quality of risk management, adequacy of internal

	<p>(Internal Audit Department, Compliance Department) in a way that enhances the neutrality and independence of these functions.</p>	<p>control systems, and others, provided that strengths and weaknesses are determined and proposing their treatment in a way that is consistent with the company's interest. Performance evaluation procedures must be written and clear and disclosed to Board members and persons concerned with the evaluation. The Board of Directors may seek assistance in obtaining an evaluation of its performance every three years from a specialized external party. Non-executive Board members conduct a periodic evaluation of the Board Chairman's performance after taking views of executive members – without the Board Chairman attending the discussion designated for this purpose.</p>
<p>Conflict of Interest (Article 105/106)</p>	<p>The concept of conflict of interest is built and arises on the following basic elements: Conflict of interest arises whenever it is proven that a Board member, or a member of any of its committees, or any of the company's employees, or its subsidiaries has a connection to any activity, or has a personal interest, or a regulatory or professional interest, in any work or activity, that may directly or indirectly affect the objectivity of that member's or employee's decisions, or on his ability to perform his duties and responsibilities towards the company, or one of its subsidiaries. Conflict of interest also arises whenever it is proven that a Board member, or one of the company's employees, or its subsidiaries, receives, or obtains personal gains from any other party whether directly or indirectly, benefiting from his position, and participation in the company's management. Each Board member, and every employee of the company and its subsidiaries is committed to not using company assets or its various resources for any personal interest, or exploiting them for his special benefit, or other goals that do not fall within the scope of activity and work of the company.</p>	<p>The concept of conflict of interest is built and arises on the following basic elements: Conflict of interest arises whenever it is proven that a Board member, or a member of any of its committees, or any of the company's employees, or its subsidiaries, has a connection to any activity, or has a personal interest, or a regulatory or professional interest, in any work, or activity, that may directly or indirectly affect the objectivity of that member's, or employee's decisions, or on his ability to perform his duties, and responsibilities towards the company, or one of its subsidiaries. Conflict of interest also arises whenever it is proven that a Board member, or one of the company's employees, or its subsidiaries, receives, or obtains personal gains from any other party, whether directly or indirectly, benefiting from his position, and participation in the company's management. Each Board member, and every employee of the company, and its subsidiaries, is committed to not using company assets, or its various resources, for any personal interest, or exploiting them for his special benefit, or other goals, that do not fall within the scope of activity and work of the company.</p>

<p>Avoiding Conflict of Interest (Article 106/107)</p>	<p>A Board member must practice his tasks with honesty and integrity, and put company interests before his personal interest, and not exploit his position to achieve special interests. Avoiding conflict of interest cases, and informing the Board of conflict cases that may affect his neutrality when considering topics presented to the Board, and the Board of Directors must not involve this member in deliberations and not count his vote in voting on these topics in Board of Directors' meetings and shareholders' assemblies. Maintaining confidentiality of information relevant to the company and its activities and not disclosing it to any person. A Board member is prohibited from voting on a Board of Directors' or General Assembly resolution in business and contracts carried out for the company's account if he has a direct or indirect interest in them. Exploitation or benefit – directly or indirectly – from any of the company's assets or information or investment opportunities presented to him in his capacity as a member of the Board of Directors or presented to the company, including investment opportunities that fall within the company's activities, or which the company wishes to benefit from, and the prohibition applies to the Board member who resigns to exploit investment opportunities – directly or indirectly – which the company wishes to benefit from and which he learned about during his Board membership.</p>	<p>A Board member must practice his tasks with honesty and integrity, and put company interests before his personal interest, and not exploit his position to achieve special interests. Avoiding conflict of interest cases, and informing the Board of conflict cases that may affect his neutrality when considering topics presented to the Board, and the Board of Directors must not involve this member in deliberations, and not count his vote in voting on these topics in Board of Directors' meetings and shareholders' assemblies. Maintaining confidentiality of information relevant to the company and its activities and not disclosing it to any person. A Board member is prohibited from: Voting on a Board of Directors' or General Assembly resolution in business and contracts carried out for the company's account if he has a direct or indirect interest in them. Exploitation or benefit – directly or indirectly – from any of the company's assets or information or investment opportunities presented to him in his capacity as a member of the Board of Directors, or presented to the company, including investment opportunities that fall within the company's activities, or which the company wishes to benefit from, and the prohibition applies to the Board member who resigns to exploit investment opportunities – directly or indirectly – which the company wishes to benefit from and which he learned about during his Board membership.</p>
<p>Competing with the Company (Article 108/109)</p>	<p>Taking into account what was mentioned in Article Seventy-Two of the Companies Law and relevant provisions in these regulations and Corporate Governance Regulations issued by the Capital Market Authority and Insurance Companies Governance Regulation issued by the Central Bank. If a Board member wishes to participate in work that would compete with the company or compete with it in one of the activity branches it practices, the</p>	<p>Taking into account what was mentioned in Article Seventy-Two of the Companies Law and relevant provisions in these regulations and Corporate Governance Regulations issued by the Capital Market Authority and Insurance Companies Governance Regulation issued by the Insurance Authority, if a Board member wishes to participate in work that would compete with the company, or compete with it in one of the activity branches it</p>

	<p>following must be taken into account: Informing the Board of Directors of the competing business he wishes to practice, and recording this notice in the Board of Directors' meeting minutes. The interested member does not participate in voting on the resolution issued in this regard in the Board of Directors and shareholders' assemblies. The Chairman of the Board informing the Ordinary General Assembly when it convenes of the competing business practiced by the Board member, after the Board of Directors verifies the Board member's competition with company's business or its competition in one of the activity branches it practices according to criteria issued by the company's General Assembly – based on a proposal from Board of Directors – and published on company's website provided that these actions are verified annually. Obtaining a license from company's Ordinary General Assembly allowing the member to practice competing business.</p>	<p>practices, the following must be taken into account: Informing the Board of Directors of the competing business he wishes to practice, and recording this notice in the Board of Directors' meeting minutes. The interested member does not participate in voting on the resolution issued in this regard in the Board of Directors and shareholders' assemblies. The Chairman of the Board informing the Ordinary General Assembly when it convenes of the competing business practiced by the Board member, after the Board of Directors verifies the Board member's competition with company's business or its competition in one of the activity branches it practices according to criteria issued by the company's General Assembly – based on a proposal from Board of Directors – and published on company's website, provided that these actions are verified annually. Obtaining a license from company's Ordinary General Assembly or from the Board of Directors by virtue of a delegation from the mentioned Assembly allowing the member to practice competing business.</p>
<p>Article 110: Board License (Added)</p>	<p>Does not exist</p>	<p>The Ordinary General Assembly has the right to delegate the power to license business and contracts concluded for the company's account in which a Board member has a direct or indirect interest, provided that delegation is according to the following conditions: 1. Total amount of work or contract – or total business and contracts during the fiscal year – is less than 1% of company's revenues according to latest audited financial statements provided it is less than 10 million Saudi riyals. 2. Work or contract falls within company's usual activity. 3. Work or contract does not include preferential conditions for Board member and is under same conditions and terms followed by company with general dealers and contractors. 4. Work or contract is not within advisory business and contracts performed</p>

		<p>by Board member – under professional license – for company's benefit according to Article Eight of the Implementing Regulation of the Companies Law for Listed Joint Stock Companies. 5. Board member bears responsibility for accounting of transactions mentioned in sub-paragraph (1) of paragraph (a) of this article in which he has a direct or indirect interest during a single fiscal year. Ordinary General Assembly has right to delegate to Board of Directors power to license any of its members to participate in any work that would compete with company, or practice any competing activity in any of activity branches practiced by company, provided that General Assembly resolution determines competing business and activities which Board may license and duration of delegation.</p>
<p>Article 111: Refusing to Grant License</p>	<p>If General Assembly refuses to grant license according to Article Seventy-Two of Companies Law and Article One Hundred and Nine of these regulations. Board member must submit his resignation within a period specified by General Assembly, otherwise his Board membership is considered expired, unless he decides to refrain from competing with company or regularizing his situation according to Companies Law and its Implementing Regulations before expiration of period specified by Assembly.</p>	<p>If Board of Directors refuses to grant license – to initiate business that would compete with company – according to Article One Hundred and Nine of these regulations, Board member must submit his resignation within a period specified by Board of Directors, otherwise his Board membership is considered expired, unless he decides to refrain from the contract or transaction or competing business, or regularizing his situation according to Companies Law and its Implementing Regulations before expiration of period specified by Board of Directors. If General Assembly refuses to grant license – to initiate business that would compete with company – according to Article Seventy-Two of Companies Law and Article One Hundred and Nine of these regulations, Board member must submit his resignation within a period specified by General Assembly, otherwise his Board membership is considered expired, unless he decides to refrain from competing with company or regularizing his situation</p>

		according to Companies Law and its Implementing Regulations before expiration of period specified by Assembly.
Article 112: Accepting Gifts	Board members and senior executives are not permitted to accept gifts from any person who has commercial dealings with company if those gifts would lead to conflict of interest.	Members of Board of Directors and members of its committees and senior executives are not permitted to accept gifts from any person who has commercial dealings with company, if those gifts would lead to conflict of interest, and Audit Committee must be informed of that incident in writing, for recording it and taking it into consideration in transactions that may arise after that.
Article 114: Reporting Violating Practices	Board of Directors sets – based on proposal of Audit Committee – whistleblowing policy in accordance with Central Bank requirements so that stakeholders follow it in submitting their complaints or reporting violating practices. Facilitating stakeholders' (including company employees) reporting to Board of Directors regarding actions or practices by executive management that violate applicable laws, regulations, and rules or raise suspicion in financial statements or internal control systems or others, whether those actions or practices were against them or not, and conducting necessary investigation regarding it. Maintaining confidentiality of reporting procedures by facilitating direct contact with an independent member of Audit Committee or other specialized committees. Assigning a specialized person to receive stakeholders' complaints or reports and dealing with them. Allocating a phone or email to receive complaints. Providing necessary protection for stakeholders.	Board of Directors sets – based on proposal of Audit Committee – whistleblowing policy in accordance with Insurance Authority requirements so that stakeholders follow it in submitting their complaints or reporting violating practices. Facilitating stakeholders' (including company employees) reporting to Board of Directors regarding what may be monitored from executive management of actions or practices that violate applicable laws, regulations, and rules or raise suspicion in financial statements or internal control systems or others, whether those actions or practices were against them or not, and conducting necessary investigation regarding them. Maintaining confidentiality of reporting procedures by facilitating direct contact with an independent member of Audit Committee or other specialized committees. Assigning a specialized person to receive stakeholders' complaints or reports and dealing with them. Allocating a phone or email to receive complaints. Providing necessary protection for stakeholders. Determining escalation mechanism in a way that aligns with relevant laws and regulations.

<p>Article 116: Disclosure Policy</p>	<p>Without prejudice to rules of offering securities and continuous obligations, Board of Directors sets written disclosure policies and procedures and its supervisory systems in accordance with disclosure requirements contained in Companies Law and Capital Market Law – as the case may be – and their Implementing Regulations, and Saudi Central Bank regulations and instructions, taking into account following: Including suitable disclosure methods in those policies that enable shareholders and stakeholders to access financial and non-financial information related to company and its performance and share ownership and understanding company's situation in an integrated way. Disclosure to shareholders and investors being without discrimination. And clearly and correctly and not misleadingly, and in timely manner and regularly and accurately, to enable shareholders and stakeholders to exercise their rights to fullest extent. Preparing reporting systems including determining information that must be disclosed, and method of classifying it in terms of its nature or periodicity of disclosure. Reviewing disclosure policies periodically and verifying their compliance with best practices and with provisions of Capital Market Law and its Implementing Regulations.</p>	<p>Without prejudice to rules of offering securities and continuous obligations and listing rules, Board of Directors sets written disclosure policies and procedures and its supervisory systems in accordance with disclosure requirements contained in Companies Law and Capital Market Law – as the case may be – and their Implementing Regulations, and Insurance Authority regulations and instructions, taking into account following: Including suitable disclosure methods in those policies that enable shareholders and stakeholders to access financial and non-financial information related to company and its performance and share ownership and understanding company's situation in an integrated way. Disclosure to shareholders and investors being without discrimination, and clearly and correctly and not misleadingly, and in timely manner and regularly and accurately, to enable shareholders and stakeholders to exercise their rights to fullest extent. Preparing reporting systems including determining information that must be disclosed, and method of classifying it in terms of its nature or periodicity of disclosure. Reviewing disclosure policies periodically, and verifying their compliance with best practices, and with provisions of Capital Market Law and its Implementing Regulations.</p>
<p>Article 117: Board Report</p>	<p>Board of Directors' report must include presentation of its operations during latest fiscal year, and all factors affecting company's business, and Board of Directors' report must include following: (Includes items from 1 to 42, including): Description of any interest in voting shares category belonging to persons who informed company of those rights according to Article Sixty-Seven of rules of offering securities and continuous obligations. Recommendation of Audit Committee regarding need to appoint internal auditor in company in case of his absence.</p>	<p>Board of Directors' report must include presentation of its operations during latest fiscal year, and all factors affecting company's business, and Board of Directors' report must include following: (Following items were amended and added): Description of any interest in voting shares category belonging to persons who informed company of those rights according to Article Forty-Five of registration and listing rules. Recommendation of Audit Committee to appoint internal auditor in company in case it recommended his appointment during</p>

		<p>latest fiscal year. Adding new item: Information related to any business competing with company or any of activity branches practiced by it and which is practiced or was practiced by any Board member, so that it includes names of those concerned with competing business, and nature of these businesses and their conditions, and if such businesses do not exist, company must provide declaration of that.</p>
<p>Article 118: Audit Committee Report</p>	<p>1. Audit Committee report must include details of its performance of its competencies and tasks stipulated in company's system and its Implementing Regulations, provided it includes its recommendations and its opinion on adequacy of internal and financial control systems and risk management in company. 2. Board of Directors must deposit sufficient copies of Audit Committee report in company's main center and it being published on company's website and market's website when publishing invitation for General Assembly meeting, to enable shareholders who wish to obtain copy of it and summary of report is read during General Assembly meeting.</p>	<p>Audit Committee report must include details of its performance of its competencies and tasks stipulated in company's system and its Implementing Regulations and committee tasks stipulated in Regulation of Audit Committees in Insurance and/or Reinsurance Companies issued by Insurance Authority, provided it includes its recommendations and its opinion on adequacy of internal and financial control systems and risk management in company, including recommendations for Internal Audit Department and Compliance Department reports. Board of Directors must deposit sufficient copies of Audit Committee report in company's main center and it being published on company's website and market's website when publishing invitation for General Assembly meeting, to enable shareholders who wish to obtain copy of it. And summary of report is read during General Assembly meeting.</p>
<p>Article 119: Disclosure Register</p>	<p>Board of Directors must organize disclosure processes for each of its members and executive management members, taking into account following: 1 Placing a special register for disclosures of Board members and executive management and updating it periodically. That is according to required disclosures under Companies Law and Capital Market Law and regulations and instructions issued by Saudi Central Bank and their Implementing</p>	<p>Board of Directors must organize disclosure processes for each of its members and executive management members, taking into account following: Placing a special register for disclosures of Board members and executive management and updating it periodically, according to required disclosures under Companies Law and Capital Market Law and regulations and instructions issued by Insurance Authority and their Implementing</p>

	Regulations. 2 Enabling company shareholders to access register without financial charge.	Regulations. Enabling company shareholders to access register without financial charge.
Article 120: Internal Control System	Board of Directors must adopt internal control system for company to evaluate policies and procedures related to risk management and implementing company's special governance rules adopted by company, and compliance with relevant laws and regulations, and this system must ensure following clear standards for responsibility in all executive levels in company and that transactions with related parties are carried out in accordance with their special provisions and controls.	Board of Directors must adopt internal control system for company to evaluate policies and procedures related to risk management and implementing company's special governance rules adopted by company, and compliance with relevant laws and regulations, and this system must ensure following clear standards for responsibility in all executive levels in company and that transactions with related parties are carried out in accordance with their special provisions and controls.
Article 121: Establishing Control Departments	1. Company establishes – for purpose of implementing approved internal control system – independent departments which are Compliance Department, Risk Management Department, and Internal Audit Department. 2. Reference of Compliance Department and Internal Audit Department being to Audit Committee emanating from Board of Directors. 3. Reference of Risk Management Department being to Risk Management Committee emanating from Board of Directors. 4. Company may and after obtaining non-objection of Saudi Central Bank seek assistance of external parties to practice tasks and competencies of risk evaluation and management units or departments and internal audit, and that does not prejudice company's responsibility for those tasks and competency.	1. Company establishes – for purpose of implementing approved internal control system – independent departments which are Compliance Department, Risk Management Department, and Internal Audit Department. 2. Reference of Compliance Department and Internal Audit Department being to Audit Committee emanating from Board of Directors. 3. Reference of Risk Management Department being to Risk Management Committee. 4. Company may and after obtaining non-objection of Insurance Authority seek assistance of external parties to practice tasks and competencies of risk evaluation and management units or departments, and internal audit, and that does not prejudice company's responsibility for those tasks and competency.
Article 122: Compliance	Compliance Department is an independent department through its reference to Audit Committee, and Compliance Officer is appointed by Audit Committee to ensure his independence as compliance function bears responsibility for monitoring company's compliance with all relevant laws and regulations and	Compliance Department is an independent department through its reference to Audit Committee, and Compliance Officer is appointed by Audit Committee to ensure his independence, as compliance function bears responsibility for monitoring company's compliance with all relevant laws and regulations and

instructions issued by Saudi Central Bank or other relevant regulatory authorities, and taking necessary measures to improve level of statutory compliance in company, and its tasks include for example but not limited to following: 1. Verifying that company complies and adheres to all requirements of applicable and relevant laws and regulations issued by Saudi Central Bank and Capital Market Authority and Council of Cooperative Health Insurance and Ministry of Commerce and any other regulatory and supervisory authority. 2. Communicating with regulatory authorities in everything concerning company's regulatory and supervisory matters. 3. Evaluating non-compliance risks in company, and monitoring non-compliance cases. 4. Providing advice to Board of Directors and committees and senior management and all company employees and relevant departments with relevant laws and regulations and instructions to enable company to comply with them. 5. Notifying company of all developments and updates in laws and regulations and instructions issued by regulatory authorities and competent authorities. 6. Preparing periodic reports on non-compliance cases and providing recommendations to address them, and raising them to Audit Committee, and Board of Directors where required. 7. Providing regulatory authorities with reports required statutorily. 8. Evaluating work of all company departments and its business to verify its compliance with laws and regulations and instructions and preparing reports on that. 9. Educating and enlightening company employees at all their functional levels of importance of compliance. 10. Monitoring company compliance with Anti-Money Laundering and Combating Financing of Terrorism Law and their implementing regulations.

instructions issued by Insurance Authority or other relevant regulatory authorities, and taking necessary measures to improve level of statutory compliance in company. And its tasks include for example but not limited to following: 1. Verifying that company complies and adheres to all requirements of applicable and relevant laws and regulations issued by Insurance Authority and Capital Market Authority, and Ministry of Commerce and any other regulatory and supervisory authority. 2. Communicating with regulatory authorities in everything concerning company's regulatory and supervisory matters. 3. Evaluating non-compliance risks in company, and monitoring non-compliance cases. 4. Providing advice to Board of Directors and committees and senior management and all company employees and relevant departments with relevant laws and regulations and instructions to enable company to comply with them. 5. Notifying company of all developments and updates in laws and regulations and instructions issued by regulatory authorities and competent authorities. 6. Preparing periodic reports on non-compliance cases and providing recommendations to address them, and raising them to Audit Committee, and Board of Directors where required. 7. Providing regulatory authorities with reports required statutorily. 8. Evaluating work of all company departments and its business to verify its compliance with laws and regulations and instructions and preparing reports on that. 9. Educating and enlightening company employees at all their functional levels of importance of compliance. 10. Monitoring company compliance with Anti-Money Laundering and Combating Financing of Terrorism Law and their implementing regulations. 11. Compliance with procedural manual for compliance in responding to regulatory authorities' inquiries and requests and mechanism for preparing periodic reports.

Article 122: Internal Audit

Internal audit function evaluates effectiveness and efficiency of internal controls and policies and procedures and reporting mechanism in company and extent of compliance with them and providing recommendations to improve them through plan approved by Audit Committee including all company activities and business. Internal auditor is appointed by Audit Committee to achieve its independence and enable it to perform its work in a way that improves control level in company. Company must keep audit reports and work documents including clearly what was accomplished and findings and recommendations reached and what was taken regarding them. And its tasks and responsibility include for example but not limited to following: 1. Evaluating effectiveness and efficiency of internal controls and policies and procedures and extent of company compliance with them and providing recommendations regarding them. 2. Evaluating risks in company and systems and investments. 3. Aspects of failure in applying internal control or weaknesses in its application which may affect company's financial performance. 4. Verifying credibility of financial information and accounting and non-financial records and their integrity. 5. Raising comprehensive reports for internal audit and compliance results and discussing them with Audit Committee and relevant managers and providing proposals to be applied to address observations and closing them. 6. Providing necessary reports to Board of Directors to inform it of results and contribute to internal control procedures while maintaining professional independence of department. 7. Tasks and responsibilities stipulated in various laws and regulations and instructions issued by Saudi Central Bank, and for example but not limited to. Reviewing underwriting and pricing instructions, surplus distribution.

Internal audit function evaluates effectiveness and efficiency of internal controls and policies and procedures and reporting mechanism in company and extent of compliance with them and providing recommendations to improve them through plan approved by Audit Committee including all company activities and business. Internal auditor is appointed by Audit Committee to achieve its independence and enable it to perform its work in a way that improves control level in company. Company must keep audit reports and work documents and findings and recommendations reached and what was taken regarding them, and its tasks and responsibility include for example but not limited to following: 1. Evaluating effectiveness and efficiency of internal controls and policies and procedures and extent of company compliance with them and providing recommendations regarding them. 2. Aspects of failure in applying internal control or weaknesses in its application which may affect company's financial performance. 3. Verifying credibility of financial information and accounting and non-financial records and their integrity. 4. Raising comprehensive reports for internal audit results and discussing them with Audit Committee and relevant managers and providing proposals to be applied to address observations and closing them. 5. Providing necessary reports to Board of Directors to inform it of results and contribute to internal control procedures while maintaining professional independence of department. 6. Tasks and responsibilities stipulated in various laws and regulations and instructions issued by Insurance Authority, and for example but not limited to, reviewing underwriting and pricing instructions, surplus distribution.

<p>Article 122: Risk Management</p>	<p>Company sets risk management policies and procedures manual including work of all technical and non-technical departments according to provisions of laws and regulations and circulars issued by regulatory authorities, and company works on applying provisions of this manual and updating it when needed, and risk management function performs its business and activities in accordance with risk management regulation issued by Saudi Central Bank and any other regulatory or supervisory requirements, and risk management function is responsible for identifying and evaluating and measuring and adjusting and monitoring risks and limiting them continuously on individual risks and total risks level, and its tasks include for example but not limited to following: 1. Implementing risk management strategy. 2. Monitoring risks company may be exposed to. 3. Setting effective risk management policies and procedures to identify and evaluate and measure and adjust and monitor risks and limiting them. 4. Identifying emerging risks and proposing corrective steps to limit them and adjusting them. 5. Evaluating company's ability to bear risks and extent of its exposure to them through conducting stress tests for example periodically. 6. Setting contingency plan. 7. Coordinating with senior management to ensure effectiveness and efficiency of risk management system in company.</p>	<p>Company sets risk management policies and procedures manual including work of all technical and non-technical departments according to provisions of laws and regulations and circulars issued by regulatory authorities, and company works on applying provisions of this manual and updating it when needed, and risk management function performs its business and activities in accordance with risk management regulation issued by Saudi Central Bank and any other regulatory or supervisory requirements, and risk management function is responsible for identifying and evaluating and measuring and adjusting and monitoring risks and limiting them continuously on individual risks and total risks level, and its tasks include for example but not limited to following: 1. Implementing risk management strategy. 2. Monitoring risks company may be exposed to. 3. Setting effective risk management policies and procedures to identify and evaluate and measure and adjust and monitor risks and limiting them. 4. Identifying emerging risks and proposing corrective steps to limit them and adjusting them. 5. Evaluating company's ability to bear risks and extent of its exposure to them (through conducting stress tests for example) periodically. 6. Setting contingency plan. 7. Coordinating with senior management to ensure effectiveness and efficiency of risk management system in company.</p>
<p>Article 123: Senior Management</p>	<p>1. Priority in senior management jobs being to Saudis and in case of need to appoint non-Saudi insurance company must prove unavailability of qualified Saudi to fill required job based on appointment requirements in leadership positions issued by Saudi Central Bank. 2. Every position in senior management being documented and detailed job description identifying roles and responsibilities and specifications and qualifications and</p>	<p>1. Priority in senior management jobs in company being to Saudi competencies based on appointment requirements in leadership positions issued by Insurance Authority. 2. Every position in senior management being documented and detailed job description identifying roles and responsibilities and specifications and qualifications and reporting lines (subordination) and interaction mechanism with other internal</p>

	<p>reporting lines (subordination) and interaction mechanism with other internal parties and powers and powers limits. 3. General Manager being appointed by resolution of Board of Directors after obtaining non-objection of Central Bank and his reference being to Board of Directors, and as referred to in paragraph (third) of Article Twenty-Three of this regulation Board of Directors is responsible for supervising executive management business, and without prejudice to provisions of corporate governance regulation issued by Capital Market Authority and any other regulatory or supervisory requirements. 4. Senior management bears responsibility for supervising company's daily activities, and senior management duties include for example but not limited to following: 1. Implementing company's strategic plans. 2. Managing company's daily activities. 3. Setting procedures to identify and measure risks and limiting them and monitoring them. 4. Setting necessary policies and procedures to ensure efficiency and effectiveness of internal control system. 5. Keeping documents and auditing accounts. 6. Working according to Board of Directors' directions and raising reports to it. 7. Ensuring fulfillment of all regulatory and supervisory requirements to maximum extent possible. 5. Senior management must provide Board of Directors with comprehensive presentation on management performance during every Board meeting at least.</p>	<p>parties and powers and powers limits. 3. Chief Executive Officer / General Manager or equivalent being appointed by resolution of Board of Directors after obtaining non-objection of Insurance Authority and his reference being to Board of Directors, and senior management duties include for example but not limited to following: 1. Implementing company's strategic plans. 2. Managing company's daily activities. 3. Setting procedures to identify and measure risks and limiting them and monitoring them. 4. Setting necessary policies and procedures to ensure efficiency and effectiveness of internal control system. 5. Keeping documents and auditing accounts. 6. Working according to Board of Directors' directions and raising reports to it. 7. Ensuring fulfillment of all regulatory and supervisory requirements to maximum extent possible. 4. Senior management must provide Board of Directors with comprehensive presentation on management performance during every Board meeting at least.</p>
<p>Article 124: Actuarial Business</p>	<p>Without prejudice to what insurance actuarial business controls issued by Central Bank and any other relevant instructions stipulated, appointed actuary's tasks and responsibilities include for example but not limited to following: 1. Studying company's general financial situation. 2. Evaluating company's capital adequacy. 3. Evaluating company's ability to fulfill its future</p>	<p>Without prejudice to what insurance actuarial business controls issued by Insurance Authority and any other relevant instructions stipulated, appointed actuary's tasks and responsibilities include for example but not limited to following: 1. Studying company's general financial situation. 2. Evaluating company's capital adequacy. 3. Evaluating company's ability to fulfill its future</p>

	<p>obligations. 4. Pricing protection and savings insurance and health insurance and motor insurance products with providing recommendations on adequacy of premium rates for other general insurance categories of products. 5. Determining company's technical provisions and recommending regarding them. 6. Coordinating with officials in risk management in company to estimate material risks impact and to determine appropriate mechanism to mitigate their impacts. 7. Evaluating adequacy of reinsurance arrangements and appropriate levels for risk retention and recommending optimal retention level. 8. Providing recommendations to company's Board of Directors regarding company's investment policy taking into account nature and timing of obligations towards insurance policyholders and availability of appropriate assets. 9. Determining surplus or deficit for company in general. 10. Preparing appropriate reports and according to financial reports templates required by Central Bank. 11. Reviewing company's special underwriting manuals. 12. Preparing annual report clarifying efficiency of company's technical reserves and insurance products prices. 13. Analyzing insurance portfolio development and cost analysis. 14. Preparing report clarifying assets suitability for responsibilities. 15. Providing advice regarding any other actuarial matters.</p>	<p>obligations. 4. Pricing protection and savings insurance and health insurance and motor insurance products with providing recommendations on adequacy of premium rates for other general insurance categories of products. 5. Determining company's technical provisions and recommending regarding them. 6. Coordinating with officials in risk management in company to estimate material risks impact and to determine appropriate mechanism to mitigate their impacts. 7. Evaluating adequacy of reinsurance arrangements and appropriate levels for risk retention and recommending optimal retention level. 8. Providing recommendations to company's Board of Directors regarding company's investment policy, taking into account nature and timing of obligations towards insurance policyholders and availability of appropriate assets. 9. Determining surplus or deficit for company in general. 10. Preparing appropriate reports and according to financial reports templates required by Insurance Authority. 11. Reviewing company's special underwriting manuals. 12. Preparing annual report clarifying efficiency of company's technical reserves and insurance products prices. 13. Analyzing insurance portfolio development and cost analysis. 14. Preparing report clarifying assets suitability for responsibilities. 15. Providing advice regarding any other actuarial matters.</p>
<p>Article 125: Accounts Audit Task</p>	<p>Annual accounts auditing task is assigned to one or more auditors enjoying independence and competence and experience and qualification to prepare objective and independent report to Board of Directors and shareholders clarifying in it whether company's financial statements clearly and fairly express company's financial position, and its performance in material aspects.</p>	<p>Annual accounts auditing task is assigned to one or more auditors enjoying independence and competence and experience and qualification, to prepare objective and independent report to Board of Directors and shareholders clarifying in it whether company's financial statements clearly and fairly express company's financial position, and its performance in material aspects.</p>

<p>Article 126: Auditor Appointment</p>	<p>Ordinary General Assembly appoints company accounts auditor based on Board of Directors' nomination. With taking into account following: 1. His nomination being based on recommendation from Audit Committee. 2. Being licensed and fulfilling conditions prescribed by competent authority. 3. His interests not conflicting with company's interests. 4. Candidates number not being less than two auditors.</p>	<p>Ordinary General Assembly appoints company accounts auditor based on his nomination from Audit Committee, with taking into account following: 1. His nomination being based on recommendation from Audit Committee. 2. Being licensed and fulfilling conditions prescribed by competent authority. 3. His interests not conflicting with company's interests. 4. Candidates number not being less than two auditors.</p>
<p>Article 127: Auditor Duties</p>	<p>Accounts auditor must 1. Exercise care and honesty duties for company. 2. Inform Authority in case Board of Directors does not take appropriate action regarding suspicious matters he raises. 3. Requesting Board of Directors to invite Ordinary General Assembly if Board did not facilitate his work, and being responsible for compensating damage affecting company or shareholders or others because of errors occurring from him in performing his work, and if auditors are multiple and participated in error, they were responsible jointly.</p>	<p>Accounts auditor must: 1. Exercise care and honesty duties for company. 2. Inform Authority in case Board of Directors does not take appropriate action regarding suspicious matters he raises. 3. Requesting Board of Directors to invite Ordinary General Assembly if Board did not facilitate his work. And being responsible for compensating damage affecting company or shareholders or others because of errors occurring from him in performing his work, and if auditors are multiple and participated in error, they were responsible jointly.</p>
<p>Article 128: Document Retention</p>	<p>Company must keep all minutes and documents and reports and other documents required to be kept under corporate governance regulation issued by Capital Market Authority and insurance companies governance regulation issued by Central Bank in company's main headquarter for duration not less than ten years, and that includes Board of Directors' report and Audit Committee report. And with non-prejudice to this duration, company must in case of presence of lawsuit (including any existing lawsuit or threatened to be raised) or claim or any existing investigation procedures related to those minutes or documents or reports or records keep them until end of that lawsuit or claim or existing investigation procedures.</p>	<p>Company must keep all minutes and documents and reports and other documents required to be kept under corporate governance regulation issued by Capital Market Authority and insurance companies governance regulation issued by Insurance Authority, in company's main headquarter for duration not less than ten years, and that includes Board of Directors' report and Audit Committee report. And with non-prejudice to this duration, company must in case of presence of lawsuit (including any existing lawsuit or threatened to be raised) or claim or any existing investigation procedures related to those minutes or documents or reports or records keep them until end of that lawsuit or claim or existing investigation procedures.</p>

<p>Article 129: Additional Data</p>	<p>Authority or Central Bank has right of requesting company to provide them with any additional information or data it deems necessary to verify extent of compliance with corporate governance regulation provisions.</p>	<p>Capital Market Authority or Insurance Authority has right of requesting company to provide them with any additional information or data it deems necessary to verify extent of compliance with corporate governance regulation provisions.</p>
<p>Article 130: Regulatory Reference</p>	<p>(Not present)</p>	<p>Provisions of this regulation apply in what was mentioned in it of texts, and in case of absence of text, provisions mentioned in regulations and regulatory systems issued by relevant authorities apply.</p>
<p>Article 131: Entry into Force</p>	<p>(Not present)</p>	<p>This regulation being effective from date of its adoption by General Assembly.</p>