

PROPOSED AMENDMENT TO THE AUDIT COMMITTEE CHARTER OF ARABIA INSURANCE  
.COOPERATIVE COMPANY

DECEMBER 1, 2025

Article Text/No. Before Amendment in the Current Charter	Article Text/No. After Amendment
<p><b>Purpose:</b></p> <p>This Charter has been prepared in application of the relevant regulatory requirements to ensure the organization of the Audit Committee's work in accordance with the best followed standards ,and it shall serve as a work guide for the Committee ,clarifying the rules for selecting its members ,its method of operation , responsibilities ,and obligations.</p>	<p>No amendment</p>
<p><b>Article One: Definitions:</b></p> <p>The following terms and expressions , wherever mentioned in this Charter ,shall have the meanings indicated against each of them ,unless the context requires otherwise:</p> <p><b>The Company:</b> Arabia Insurance Cooperative Company.</p> <p><b>The General Assembly:</b> The General Assembly of shareholders of Arabia Insurance Cooperative Company.</p> <p><b>The Charter:</b> The Audit Committee Charter of Arabia Insurance Cooperative Company.</p>	<p><b>Article One: Definitions:</b></p> <p>The following terms and expressions , wherever mentioned in this Charter ,shall have the meanings indicated against each of them ,unless the context requires otherwise:</p> <p><b>The Company:</b> Arabia Insurance Cooperative Company.</p> <p><b>The General Assembly:</b> The General Assembly of shareholders of Arabia Insurance Cooperative Company.</p> <p><b>The Charter:</b> The Audit Committee Charter of Arabia Insurance Cooperative Company.</p>

**The Board of Directors:** The Board of Directors of Arabia Insurance Cooperative Company.

**The Audit Committee / The Committee:** An independent committee reporting directly to the Board of Directors of the Company ,specialized in monitoring the performance and application of internal control systems in the Company ,ensuring the efficiency and effectiveness of the systems ,verifying the implementation of decisions related to internal control ,and ensuring compliance with the application of the Cooperative Insurance Companies Control Law ,its Executive Regulations ,and other relevant laws ,regulations ,and instructions.

**Senior Management:** The Managing Director ,Chief Executive Officer ,General Manager ,their deputies ,the Chief Financial Officer ,managers of key departments ,and those responsible for Risk Management , Internal Audit ,and Compliance functions in the Company ,and their equivalents ,and holders of any other positions specified by the regulatory authorities.

**The Central Bank:** The Saudi Central Bank.

**Audit Committees Regulation:** The Regulation of Audit Committees in

**The Board of Directors:** The Board of Directors of Arabia Insurance Cooperative Company.

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**The Authority / The Insurance Authority:** The entity concerned with regulating the insurance sector in the Kingdom of Saudi Arabia.

Insurance and/or Reinsurance Companies issued by the Saudi Central Bank.

**Regulatory Control Department or Compliance Department:** An independent department reporting to the Audit Committee and administratively to the Chief Executive Officer ,specialized in ensuring the Company’s commitment to implementing the laws ,regulations ,and instructions issued by the Saudi Central Bank and other regulatory authorities. It submits its reports to the Audit Committee regarding any violation of laws and instructions in the Company. This definition applies to the Compliance Officer.

**Internal Audit Department:** An independent department reporting to the Audit Committee and administratively to the Chief Executive Officer. It is specialized in developing the audit and inspection work plan in the Company ,monitoring the Company’s performance through auditing and examining the Company’s operations to verify the absence of any financial or non-financial violations of the Company’s internal systems ,ensuring adherence to internal control systems ,ensuring the efficiency and effectiveness of those systems ,and verifying the implementation of internal control decisions. It submits its reports to the Audit Committee. This definition applies to the Internal Auditor.

**Audit Committees Regulation:** The Regulation of Audit Committees in Insurance and/or Reinsurance Companies issued by the Insurance Authority.

**Regulatory Control Department or Compliance Department:** An independent department reporting to the Audit Committee and administratively to the Chief Executive Officer ,specialized in ensuring the Company’s commitment to implementing the laws ,regulations ,and instructions issued by the Saudi Central Bank and other regulatory authorities. It submits its reports to the Audit Committee regarding any violation of laws and instructions in the Company. This definition applies to the Compliance Officer.

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	<p>reports to the Audit Committee. This definition applies to the Internal Auditor.</p>
<p><b>Article Two: Formation of the Committee</b></p> <p>A. The Audit Committee shall be formed by a resolution of the Board of Directors after obtaining a non-objection from the Saudi Central Bank ,provided that its members are 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 resolution must specify the Committee’s tasks ,work controls , and the remuneration of its members.</p> <p>B. The Board of Directors member nominated for Committee membership must be independent.</p> <p>C. An Audit Committee member shall not be a member of the Board of Directors or Audit Committee of any other company operating in the insurance sector in the Kingdom of Saudi Arabia ,and shall not hold membership in Audit Committees in more than five listed companies at the same time.</p> <p>D. The chairman of the Board of Directors shall not be a member of</p>	<p><b>Article Two: Formation of the Committee</b></p> <p>A. The Audit Committee shall be formed by a resolution of the Board of Directors after obtaining a non-objection from the Insurance Authority ,provided that its members are 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.</p> <p>B. The Board of Directors member nominated for Committee membership must be independent.</p> <p>C. The majority of Audit Committee members must be independent members.</p> <p>D. An Audit Committee member shall not be a member of the Board of Directors or Audit Committee of any other company operating in the insurance sector in the Kingdom of Saudi Arabia ,and shall not hold membership in Audit Committees in more than five listed joint-stock companies at the same time.</p> <p>E. The Chairperson of the Board of Directors shall not be a member of the Audit Committee or its Chairman</p>

<p>the Audit Committee or its Chairman.</p> <p>E. The Committee member shall not be among the executive directors of the Company ,its employees ,its consultants ,or one of the members of the boards of directors , managers ,employees ,consultants , or personnel of one of the related parties of the Company ,including but not limited to:</p> <ol style="list-style-type: none"> <li>1. Major shareholders or founders.</li> <li>2. External auditors.</li> <li>3. Suppliers.</li> <li>4. Company clients.</li> <li>5. Legal persons who have a financial or commercial relationship or a first-degree kinship with the Company's Board of Directors or the Company's executive employees.</li> </ol> <p>F. Anyone who has worked during the past two years in the executive or financial management of the Company ,or for the Company's auditor ,shall not be a member of the Audit Committee.</p>	<p>F. The Committee member shall not be among the executive directors of the Company ,its employees ,its consultants ,or one of the members of the boards of directors , managers ,employees ,consultants , or personnel of one of the related parties of the Company ,including but not limited to:</p> <ol style="list-style-type: none"> <li>1. Major shareholders or founders.</li> <li>2. External auditors.</li> <li>3. Suppliers.</li> <li>4. Company clients.</li> <li>5. Legal persons who have a financial or commercial relationship or a first-degree kinship with the Company's Board of Directors or the Company's executive employees.</li> </ol> <p>G. Anyone who has worked during the past two years in the executive or financial management of the Company ,or for the Company's auditor ,shall not be a member of the Audit Committee.</p> <p>H. The Audit Committee member must have reasonable knowledge of financial and accounting rules ,and preference shall be given to those with appropriate scientific</p>
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<p>G. The Audit Committee member must have reasonable knowledge of financial and accounting rules ,and preference shall be given to those with appropriate scientific qualifications in this field. The Board of Directors must ensure that the Audit Committee members are qualified to fulfill their responsibilities ,and at least two members of the Committee , including the Committee Chairperson ,must possess recent and relevant experience in the field of accounting and financial management.</p>	<p>qualifications in this field. The Board of Directors must ensure that the Audit Committee members are qualified to fulfill their responsibilities ,and at least two members of the Committee , including the Committee Chairperson ,must possess recent and relevant experience in the field of accounting and financial management.</p>
<p><b>Article Three: Appointment of the Committee Chairman and Secretary</b></p> <p><b>First: The Committee Chairperson</b></p> <p>A. The Board of Directors shall appoint one of the Audit Committee members as its Chairperson after obtaining a non-objection from the Saudi Central Bank.</p> <p>B. The Audit Committee Chairperson shall not have a kinship ,financial ,or commercial relationship with any member of the Board of Directors.</p>	<p><b>Article Three: Appointment of the Committee Chairman and Secretary</b></p> <p><b>First: The Committee Chairperson</b></p> <p>A. The Board of Directors shall appoint one of the Audit Committee members as its Chairman after obtaining a non-objection from the Insurance Authority.</p> <p>B. The Audit Committee Chairman shall not have a kinship ,financial ,or commercial relationship with any member of the Board of Directors.</p> <p>C. The Committee Chairman shall not have a relationship with the</p>

<p>C. The Committee Chairperson shall not have a relationship with the Company's senior management that affects his/her independence.</p> <p><b>Second: The Committee Secretary:</b></p> <p>A. The Committee may choose from among its members or Company employees a Secretary for the Committee who shall prepare its meeting minutes and schedule its appointments in coordination with the Committee Chairperson ,and shall undertake administrative work and document and preserve the minutes of the Audit Committee meetings in a special register for that purpose.</p> <p>B. The Secretary of the Audit Committee shall not be a Secretary for any other committee of the Board of Directors.</p>	<p>Company's senior management that affects his/her independence.</p> <p><b>Second: The Committee Secretary:</b></p> <p>A. The Committee may choose from among its members or Company employees a Secretary for the Committee who shall prepare its meeting minutes and schedule its appointments in coordination with the Committee Chairperson ,and shall undertake administrative work and document and preserve the minutes of the Audit Committee meetings in a special register for that purpose.</p> <p>B. The Secretary of the Audit Committee shall not be a Secretary for any other committee of the Board of Directors.</p>
<p><b>Article Four: Calling for the Meeting , Quorum ,and Committee Resolutions</b></p> <p>A. The Committee shall meet at the invitation of its Chairman The Committee meeting shall not be valid unless attended by the majority of its members. A Committee member may not appoint another person to attend</p>	<p>No amendment</p>

<p>the Committee meetings on his/her behalf.</p> <p>B. The Audit Committee shall hold at least six meetings per year , including the annual meeting with the Board of Directors. The Audit Committee may – whenever the need arises – hold other meetings in response to any of the following ,for example but not limited to:</p> <ol style="list-style-type: none"><li>1. A request from the Chairperson of the Board of Directors.</li><li>2. Cases in which the external or internal auditor ,compliance officer , or actuary requests a meeting due to a need for that.</li><li>3. Meetings regarding other matters such as:<ul style="list-style-type: none"><li>• Financial and auditing matters.</li><li>• Regulatory matters.</li><li>• Conflict of interest.</li><li>• Rules of professional and ethical conduct.</li></ul></li></ol> <p>A. The Audit Committee may invite whomever it deems appropriate from within the Company or outside it to attend its meetings if the need arises.</p> <p>B. The Committee’s resolutions shall be issued by the majority of the members present. In the event of a tie ,the Chairperson’s vote shall be</p>	
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<p>the casting vote. Voting on its resolutions by proxy or power of attorney on behalf of a member is not permitted. The Committee's deliberations shall be recorded by its Secretary ,provided that they include the views of all parties in the meeting minutes ,and its resolutions shall be recorded in minutes signed by the Committee Chairperson and its Secretary.</p>	
<p><b>Article Five: Committee Powers</b></p> <p>The Audit Committee has the right of direct contact with the Board of Directors ,the Senior Management of the Company ,all employees ,committees ,legal consultants , and internal and external auditors at the head office and/or the Company's branches ,as well as other parties related to the Company. The Audit Committee is specialized in monitoring the Company's operations ,and for that purpose ,it has the right to access its records and documents and request any clarification or statement from the Board of Directors or Executive Management. It may request the Board of Directors to call the Company's General Assembly to convene if the Board of Directors obstructs its work or the Company is exposed to serious damages or losses.</p>	<p>No amendment</p>

## Article Six: Competencies of the Committee

The Audit Committee is specialized in monitoring the Company's operations and verifying the integrity and soundness of reports ,financial statements ,and internal control systems. The Committee's tasks specifically include the following:

### (a) Financial Reports:

1. Studying the annual and preliminary financial statements of the Company before their approval and submission to the Board of Directors and making recommendations regarding them , for the purpose of reaching a conviction that they do not include any incorrect statements ,data ,or information of relative importance , and that no data ,information ,or amounts of relative importance have been omitted from these statements ,the omission of which would result in the financial statements being misleading ,and to ensure their integrity and transparency.
2. Expressing a technical opinion – based on the request of the Board of Directors – as to whether the Board of Directors' report and the Company's financial statements are

<p>fair ,balanced ,and understandable , and include information that allows shareholders and investors to evaluate the Company’s financial position ,performance ,business model ,and strategies.</p> <ol style="list-style-type: none"><li>3. Studying any important or unusual matters included in the financial reports.</li><li>4. Searching accurately into any matters raised by the Company’s Chief Financial Officer or whoever assumes his/her duties ,or the Company’s Compliance Officer ,or the auditor.</li><li>5. Verifying accounting estimates in substantial matters mentioned in the financial reports.</li><li>6. Studying the accounting policies followed in the Company and expressing an opinion and recommendation to the Board of Directors regarding them ,taking into account the appropriateness of the accounting policies to the nature of the Company’s business and their impact on the Company’s financial position and the results of its operations.</li><li>7. Discussing the annual and quarterly preliminary financial statements with the external auditors and the</li></ol>	
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Company's Senior Management before their issuance.

**(b) Internal Audit:**

1. Control and supervision of the Internal Audit Department in the Company for the purpose of verifying its effectiveness in implementing the tasks and duties specified for it by the Board of Directors.
2. Studying the internal control system and preparing a written report on its opinion and recommendations regarding it ,the adequacy of the internal control system in the Company ,and the other activities it has performed within its scope of competence. The Board of Directors must deposit sufficient copies of this report at the Company's head office at least ten days before the date of the General Assembly meeting ,to provide any shareholder who wishes with a copy of it. The report shall be read during the Assembly meeting,
3. Studying risk management systems in the Company and evaluating the effectiveness of the Company's estimation of significant risks it may be exposed to and the steps taken

<p>by the Company's management to monitor and confront these risks.</p> <ol style="list-style-type: none"><li>4. Studying the audit plan for internal auditors and providing their observations on it.</li><li>5. Studying internal audit reports and following up on the implementation of corrective measures for the observations mentioned therein , and submitting recommendations regarding them to the Board of Directors.</li><li>6. Ensuring the independence of Board members and Senior Management of the Company.</li><li>7. Ensuring the independence of the Internal Audit Department or the internal auditor in performing their duties ,and verifying that there are no restrictions on their work or the existence of anything that could negatively affect their work.</li><li>8. Appointing and dismissing the manager of the Internal Audit Department or the internal auditor after obtaining a non-objection from the Saudi Central Bank in writing.</li><li>9. Determining the monthly salary , incentive bonus ,and other bonuses for the Internal Audit Department or the internal auditor in line with the Company's internal regulations approved by the Board.</li></ol>	
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10. Studying the reports of the actuary and submitting recommendations regarding them to the Board of Directors.

**(c) Regulatory Control and Compliance:**

1. Studying the compliance plan , approving it ,and following up on its implementation.
2. Verifying the Company's commitment to relevant laws , regulations ,policies ,and instructions ,and ensuring that the Company does not violate any of them.
3. Ensuring the Company's commitment to implementing the proposals and recommendations of the actuary when they are mandatory under the regulations and instructions issued by the Saudi Central Bank and the relevant supervisory and regulatory authorities.
4. Reviewing and following up on reports issued by relevant regulatory and supervisory authorities and submitting recommendations regarding them to the Board of Directors.
5. Reviewing contracts and transactions proposed to be

<p>conducted by the Company with related parties and providing its views on them to the Board of Directors.</p> <ol style="list-style-type: none"><li>6. Appointing and dismissing the manager of the Compliance Department or the Compliance Officer after obtaining a non-objection from the Saudi Central Bank in writing.</li><li>7. Ensuring the independence of the Compliance Department or the Compliance Officer in performing their duties ,and verifying that there are no restrictions on their work or the existence of anything that could negatively affect their work.</li><li>8. Determining the monthly salary , incentive bonus ,and other bonuses for the Compliance Department or the Compliance Officer in line with the Company's internal regulations approved by the Board.</li><li>9. Following up on important lawsuits filed by or against the Company with the Compliance Department or the Compliance Officer ,and submitting reports regarding them to the Board of Directors.</li><li>10. Raising any matters it deems necessary to take action on to the Board of Directors and expressing</li></ol>	
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its recommendations on the actions to be taken.

**(d) External Auditor:**

1. Recommending to the Board of Directors the nomination and dismissal of auditors ,determining their fees ,and evaluating their performance after verifying their independence and reviewing their scope of work and the terms of engagement with them. This includes ensuring that the nominated external auditors enjoy the necessary experience to audit the business of insurance and/or reinsurance companies.
2. Ensuring that the scope of the external audit includes several matters ,including for example but not limited to:
  - A. Evaluating the internal control system ,including the accounting system ,from both theoretical and practical perspectives.
  - B. Conducting tests on a selected sample of the Company's financial operations.
  - C. Contacting the Company's debtors and creditors or others for the purpose of confirming balances or for other purposes.

<p>D. Monitoring inventory operations , including those carried out in the Company's branches.</p> <p>E. Commitment to the audit standards approved in the Kingdom for the purpose of verifying that the financial statements as a whole:</p> <ul style="list-style-type: none"><li>• Fairly show the Company's financial position and the results of its operations for the fiscal year ended on that date ,in light of the presentation and disclosure of the information contained in the financial statements according to generally accepted accounting standards suitable for the Company's circumstances.</li><li>• Consistent with the requirements of the Companies Law ,the Company's Articles of Association ,and all relevant regulations regarding the preparation and presentation of financial statements.</li></ul> <p>3. Informing the Company's officials in writing of the observations found by the accountant when performing the audit.</p> <p>4. The Audit Committee follows up on the work of the certified public accountants and approves any work outside the scope of the audit tasks</p>	
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<p>assigned to them during their performance of the audit.</p> <ol style="list-style-type: none"><li>5. The Committee must verify the auditor's independence ,objectivity , and fairness ,and the effectiveness of the audit work ,taking into account relevant rules and standards.</li><li>6. The Committee shall be the link between the external auditor and the Board of Directors ,enabling the external auditor to perform its work away from any restrictions or influences by the Board of Directors and the Company's management.</li><li>7. Reviewing and studying the audit plan for auditors and their work , and verifying that they do not provide technical or administrative works outside the scope of audit work ,and expressing its views and observations regarding that.</li><li>8. Studying the certified public accountant's observations on the financial statements and reports and following up on what has been done regarding them.</li><li>9. Answering inquiries from the Company's auditor.</li><li>10. Ensuring the independence of the Company's external auditor and the extent of its commitment to neutrality and objectivity when providing audit evidence and</li></ol>	
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<p>grounds and when reaching an opinion on the financial statements.</p> <p>11. Examining the scope and method of work of the external auditor and the extent of coordination of its activities with the activities of the Company's Internal Audit Department and the lack of duplication between its tasks and the internal audit tasks.</p> <p>12. Ensuring the coordination of external audit work in the event there is more than one external auditor for the Company.</p> <p>13. Meeting with the external auditor to discuss the Company's financial statements and ensure they state the Company's fair financial position and any observations it has regarding them.</p> <p>14. Reviewing the financial disclosure provided by the Company's management to the external auditor and expressing its views on it to the Board of Directors.</p> <p>15. Considering the performance of the external auditor and recommending to the Board to re-appoint it or terminate the contract with it.</p> <p>16. Considering the variance in viewpoints that may arise between the external auditor and the Company's management.</p>	
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**Article Seven: Appointment of the Company's Auditors**

- A. The Company's management shall extend invitations to the certified public accountants nominated by the Audit Committee. This invitation must include the scope of the task referred to in the second paragraph of item (d) of Article Six ,in addition to the conditions and obligations that the Company deems necessary to complete the audit process. The Board of Directors must enable these accountants to access the data and clarifications they request for the purpose of identifying the size and nature of the Company's operations. Each accountant must submit a proposal to audit the Company's accounts and a profile of its office ,specifically including the following:
1. The scientific and professional qualification of the members of the work team that will conduct the audit ,their names ,and nationalities.
  2. A clarification about the quality control of work in its office.
  3. The entities it intends to seek assistance from for the purposes of auditing the Company's accounts (if

No amendment

<p>any) ,the aspects in which they will participate ,the nature of their participation ,their qualifications , and the experience of individuals who will be sought for assistance in this regard.</p> <ol style="list-style-type: none"> <li>4. The office’s previous experience in auditing similar companies.</li> <li>5. The size and list of branches belonging to the office ,and the number of technical employees working in the office.</li> <li>6. The number of hours assigned to each member of the work team (partner ,audit manager... etc).</li> <li>7. The kinship relationship between the certified public accountant ,or the work team that will conduct the audit ,and the members of the Board of Directors and/or Senior Executive Management (if any) ,and the work relationship between the certified public accountant and the Company ,or any of its Board members (if any).</li> <li>8. The expected date for preparing its report on the Company’s financial statements.</li> <li>9. Audit fees.</li> </ol>	
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- B. The Company's management prepares a comparative table of the proposals submitted by the certified public accountants according to the data referred to in Article Twenty-Three ,and submits it to the Audit Committee attached with the proposals and data provided by the certified public accountants.
- C. The Audit Committee studies the comparative table ,the proposals submitted by the certified public accountants ,and the data attached to it ,and it may invite the audit team of each office separately for a meeting during which the proposal submitted by them is discussed.
- D. The Committee prepares a letter to be submitted to the Board of Directors containing a summary of its analysis of the submitted proposals ,nominating one or more certified public accountants to audit the Company's accounts ,and stating the basis on which the nomination was made.
- E. The Company's Board of Directors presents to the Ordinary General Assembly the recommendation submitted to it by the Audit Committee ,stating the names of the certified public accountants who submitted their proposals ,and subsequently their nomination by

<p>the Audit Committee to audit the Company's accounts ,and stating the audit fees and the basis on which the nomination was made. The number of nominees must not be less than two auditors.</p> <p>F. The Ordinary General Assembly appoints the Company's auditors based on the nomination of the Board of Directors ,while determining their remuneration and work term. It may re-appoint them , and the Assembly may also change them at any time without prejudice to their right to compensation if the change occurs at an inappropriate time or for an illegitimate reason.</p> <p>G. The total work term of the auditor must not exceed seven continuous or separate fiscal years. The Authority may ,based on its discretion ,adjust this term for any company or sector. This term shall be recalculated after the lapse of at least three continuous fiscal years from the date of the end of the last fiscal year in which it worked on auditing the Company's accounts.</p> <p>H. The total work term of the partner supervising the audit work at the auditor must not exceed seven continuous or separate fiscal years. The Authority may ,based on its discretion ,adjust this term for any</p>	
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<p>company or sector. This term shall be recalculated after the lapse of at least five continuous fiscal years from the date of the end of the last fiscal year in which he/she worked as a partner supervising the Company's accounts audit work.</p>	
<p><b>Article Eight: Seeking Assistance from Consulting Entities:</b></p> <p>The Audit Committee may seek assistance from any external consulting entity to perform specific tasks in order to assist it in performing its work.</p>	<p>No amendment</p>
<p><b>Article Nine: Remuneration of Audit Committee Members:</b></p> <p>A. An Audit Committee member is entitled to an attendance fee for each of its sessions. The value of the remunerations is determined according to a policy approved by the Board of Directors ,so that it is acceptable in comparison with the remunerations of the Board of Directors members.</p> <p>B. The resolution of the Board of Directors regarding the formation of the Audit Committee must include the value of its members' remuneration.</p>	<p><b>Article Nine: Remuneration of Audit Committee Members:</b></p> <p>A. The Chairperson and member of the Audit Committee are entitled to a remuneration of ten thousand Saudi Riyals for each meeting.</p> <p>B. The Secretary of the Audit Committee is entitled to a remuneration for completing his/her tasks for each of its sessions ,according to the approved policy.</p>

<p>C. The Secretary of the Audit Committee is entitled to a remuneration for completing his/her tasks for each of its sessions ,and the value of the remuneration is determined by a resolution issued by the Board of Directors.</p>	
<p><b>Article Ten: Termination of Membership</b></p> <p>A. Audit Committee membership ends upon the expiration of the Board of Directors’ membership term. The Committee or one of its members may be renewed for another three years only once. The Board of Directors may appoint new members to the Audit Committee in the event a new Board of Directors is elected after obtaining a non-objection from the Saudi Central Bank in writing. Audit Committee membership also ends immediately if any change occurs that would violate the membership conditions mentioned in the Regulation of Audit Committees in Insurance and Reinsurance Companies issued by the Saudi Central Bank or any other laws ,regulations ,instructions ,or resolutions issued by the competent authorities. The Audit</p>	<p><b>Article Ten: Termination of Membership:</b></p> <p>A. Audit Committee membership ends upon the expiration of the Board of Directors’ membership term. The Committee or one of its members may be renewed for another four years only once. The Board of Directors may appoint new members to the Audit Committee in the event a new Board of Directors is elected after obtaining a non-objection from the Insurance Authority in writing. Audit Committee membership also ends immediately if any change occurs that would violate the membership conditions mentioned in the Regulation of Audit Committees in Insurance and Reinsurance Companies issued by the Saudi Insurance Authority or any other laws ,regulations ,instructions ,or resolutions issued by the competent authorities. The Audit</p>

<p>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 the change occurred.</p> <p>B. The Board of Directors ,after obtaining a non-objection from the Saudi Central Bank ,has the right to dismiss any of the Audit Committee members in the event he/she loses membership conditions or commits a violation of the provisions of the Regulation of Audit Committees in Insurance and Reinsurance Companies or the provisions of the Cooperative Insurance Companies Control Law or its Executive Regulations or the provisions of the Companies Law or the provisions of other relevant regulations and instructions.</p> <p>C. The Saudi Central Bank has the right to cancel its non-objection for a member/members of the Audit Committee in the event any of them violates the provisions of the Regulation of Audit Committees in Insurance and Reinsurance Companies or the provisions of the Cooperative Insurance Companies Control Law or its Executive Regulations or the provisions of the Companies Law or the provisions of</p>	<p>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 the change occurred.</p> <p>B. The Board of Directors ,after obtaining a non-objection from the Insurance Authority ,has the right to dismiss any of the Audit Committee members in the event he/she loses membership conditions or commits a violation of the provisions of the Regulation of Audit Committees in Insurance and Reinsurance Companies or the provisions of the Cooperative Insurance Companies Control Law or its Executive Regulations or the provisions of the Companies Law or the provisions of other relevant regulations and instructions.</p> <p>C. The Insurance Authority has the right to cancel its non-objection for a member/members of the Audit Committee in the event any of them violates the provisions of the Regulation of Audit Committees in Insurance and Reinsurance Companies or the provisions of the Cooperative Insurance Companies Control Law or its Executive Regulations or the provisions of the</p>
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<p>other relevant regulations and instructions.</p> <p>D. An Audit Committee member has the right to resign provided that he/she submits his/her resignation request in advance to the Board of Directors one month before the effective date of his/her resignation and at an appropriate time accepted by the Board of Directors; otherwise ,he/she shall be liable before the Company. The Company must notify the Saudi Central Bank and the relevant authorities in writing of the member’s resignation and the reasons for his/her resignation and provide the Foundation with a copy of the resignation request within five working days from its date.</p> <p>E. A member is considered resigned from Audit Committee membership if he/she fails ,without an excuse accepted by the Board of Directors , to attend Audit Committee meetings for more than three consecutive sessions.</p>	<p>Companies Law or the provisions of other relevant regulations and instructions.</p> <p>D. An Audit Committee member has the right to resign provided that he/she submits his/her resignation request in advance to the Board of Directors one month before the effective date of his/her resignation and at an appropriate time accepted by the Board of Directors; otherwise ,he/she shall be liable before the Company. The Company must notify the Insurance Authority and the relevant authorities in writing of the member’s resignation and the reasons for his/her resignation and provide the Foundation with a copy of the resignation request within five working days from its date.</p> <p>E. A member is considered resigned from Audit Committee membership if he/she fails ,without an excuse accepted by the Board of Directors , to attend Audit Committee meetings for more than three consecutive sessions.</p>
<p><b>Article Eleven: Vacant Position in the Committee</b></p>	<p><b>Article Eleven: Vacant Position in the Committee:</b></p>

<p>If a position of one of the Audit Committee members becomes vacant during the membership term ,the Board of Directors shall appoint a replacement within a maximum period of one month from this position becoming vacant – after obtaining a non-objection from the Saudi Central Bank.</p>	<p>If a position of one of the Audit Committee members becomes vacant during the membership term ,and this has an impact on meeting the regulatory minimum for forming the Committee ,the Board of Directors shall appoint a replacement within a maximum period of one month from this position becoming vacant – after obtaining a non-objection from the Insurance Authority.</p>
<p><b>Article Twelve: Board of Directors Responsibility:</b></p> <p>A. The Board of Directors shall bear responsibility for the Audit Committee’s actions under the laws and instructions under which the Company operates.</p> <p>B. The Board of Directors shall bear responsibility for ensuring the efficiency and effectiveness of the systems and financial reports and preserving the Company's assets.</p>	<p>No amendment</p>
<p><b>Article Thirteen: Committee Responsibility</b></p> <p>A. Audit Committee members shall be responsible before the Saudi Central Bank ,the shareholders in the Company ,and the Company’s Board of Directors for implementing</p>	<p><b>Article Thirteen: Committee Responsibility:</b></p> <p>A. Audit Committee members shall be responsible before the Insurance Authority ,the shareholders in the Company ,and the Company’s Board of Directors for implementing</p>

<p>the provisions of this Charter ,and for implementing the Audit Committee’s work plan issued by a resolution of the Board of Directors.</p> <p>B. Audit Committee members must , during the performance of their duties ,prioritize the interest of the Company over any other considerations that might affect their work and decisions.</p> <p>C. The Committee must prepare a work manual clarifying the executive procedures that the Committee must adhere to in order to implement its tasks and what was included in the general rules organizing the work of the internal audit committee of provisions.</p>	<p>the provisions of this Charter ,and for implementing the Audit Committee’s work plan issued by a resolution of the Board of Directors.</p> <p>B. Audit Committee members must , during the performance of their duties ,prioritize the interest of the Company over any other considerations that might affect their work and decisions.</p> <p>C. The Committee must prepare a work manual clarifying the executive procedures that the Committee must adhere to in order to implement its tasks and what was included in the general rules organizing the work of the internal audit committee of provisions.</p>
<p><b>Article Fourteen: Conflict Occurring between the Audit Committee and the Board of Directors:</b></p> <p>If a conflict occurs between the recommendations of the Audit Committee and the resolutions of the Board of Directors ,or if the Board refuses to take the Committee's recommendation regarding the appointment and dismissal of the Company's auditor ,determining its fees ,and evaluating its performance ,or the appointment of the internal auditor ,the Board of Directors' report must include the Committee's recommendation and its</p>	<p>No amendment</p>

justifications ,and the reasons for not taking them.

**Article Fifteen: Arrangement for Submitting Observations:**

The Audit Committee must establish a mechanism that allows the Company's employees to submit their observations regarding any violation in financial reports or others confidentially. The Committee must verify the application of this mechanism by conducting an independent investigation proportional to the size of the error or violation and showing appropriate follow-up procedures.

**Article Sixteen: Confidentiality:**

Audit Committee members are not permitted to disclose to shareholders ,or to others what they have learned of the Company's secrets due to the exercise of their work; otherwise ,they must be dismissed ,and held accountable for compensation.

<p>All Audit Committee members must maintain the confidentiality of topics related to the Audit Committee’s work , even after their membership in the Committee has ended.</p>	
<p><b>Article Seventeen: Conflict of Interest</b></p> <p>A. A Committee member is not permitted to have a direct or indirect interest in the works and contracts conducted for the Company's account. A Committee member is also not permitted to participate in any work that would compete with the Company ,or to trade in one of the branches of the activity practiced by it; otherwise , the Company may claim compensation from him/her or consider the operations he/she conducted for his/her own account as being conducted for the Company's account.</p> <p>B. Audit Committee members or parties related to them ,when issuing or renewing any insurance policy from the Company ,must pay the due premium in full. It shall be treated and priced – or any claim related to those policies – in accordance with the regulation applied to customer claims and without preferential treatment ,and</p>	<p><b>Article Seventeen: Conflict of Interest</b></p> <p>A. A Committee member is not permitted to have a direct or indirect interest in the works and contracts conducted for the Company's account. A Committee member is also not permitted to participate in any work that would compete with the Company ,or to trade in one of the branches of the activity practiced by it ,except in accordance with the regulatory requirements; otherwise ,the Company may claim compensation from him/her or consider the operations he/she conducted for his/her own account as being conducted for the Company's account.</p> <p>B. Audit Committee members or parties related to them ,when issuing or renewing any insurance policy from the Company ,must pay the due premium in full. It shall be treated and priced – or any claim related to those policies – in accordance with the regulation</p>

<p>the Compliance Officer must be notified of any compensation due to the member.</p> <p>C. The Company is not permitted to provide a cash loan of any kind to Audit Committee members ,or to guarantee any loan contracted by one or more of them with others. Every contract concluded in violation of the provisions of this Charter shall be considered null and void.</p>	<p>applied to customer claims and without preferential treatment ,and the Compliance Officer must be notified of any compensation due to the member.</p> <p>C. The Company is not permitted to provide a cash loan of any kind to Audit Committee members ,or to guarantee any loan contracted by one or more of them with others. Every contract concluded in violation of the provisions of this Charter shall be considered null and void.</p>
<p><b>Article Eighteen: Amendment and Effectiveness:</b></p> <p>A. No articles of this Charter shall be amended ,deleted ,or added except based on a proposal from the Board of Directors ,and the approval of the Company's General Assembly.</p> <p>B. This Charter is considered effective from the date of its approval by the General Assembly.</p>	<p>No amendment</p>
<p>New Article</p>	<p><b>Article Nineteen: Final Provisions:</b></p> <p>The provisions of this Charter shall apply in the texts mentioned therein. In the event there is no text ,the provisions mentioned in the regulatory laws and regulations</p>

	issued by the relevant authorities shall apply.
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**PROPOSED AMENDMENTS TO THE POLICIES AND  
STANDARDS FOR MEMBERSHIP PROCEDURES ON  
THE BOARD OF DIRECTORS OF THE ARABIA  
INSURANCE COOPERATIVE COMPANY**

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DECEMBER 1, 2025

Policy Before Amendment:	Policy After Amendment:
<p><b><u>Article One: Formation of the Board of Directors</u></b>  <b>First: Composition of the Board of Directors:</b>                      (a) The company's bylaws shall specify the number of Board members, which shall not exceed eleven (11) and shall not be less than five (5) members on a continuous basis.                      (b) The composition of the Board must reflect an appropriate representation of independent members. In all cases, the number of independent members on the Board shall not be less than two members or one third of the total Board members.                      (c) The majority of the Board members must be non-executive members.                      (d) The Board should generally possess diversity in terms of qualifications, knowledge, experience, and skills across various fields of the company's activities.</p>	<p><b><u>Article One: Definitions:</u></b>  <b>Company:</b> Arabia Insurance Cooperative Company.  <b>Bylaws:</b> The bylaws of the company.  <b>Policy:</b> Policies and standards for membership procedures on the Board of Directors of the company.  <b>Board of Directors or Board:</b> The Board of Directors of the company.  <b>Committee:</b> The Nominations and Remuneration Committee.  <b>Candidate:</b> The nominee for membership on the Board of Directors of the company.</p>
<p><b><u>Second: Conditions and Criteria for Membership on the Board of Directors</u></b>                      (a) Each member must possess an appropriate level of qualifications, knowledge, experience, skills, integrity, and independence to effectively perform their role and responsibilities.                      (b) Members should generally demonstrate competence, due diligence, a strategic perspective, good management insight, the ability to manage and supervise, awareness of legal and financial aspects, and familiarity with the company's activities and operations in particular.                      (c) A member of the Board should possess leadership skills that enable them to delegate authority to enhance performance and apply best practices in effective management while adhering to values and professional ethics.                      (d) A member of the Board must not have any health impediment that prevents them from performing their duties and responsibilities.                      (e) It is required that a Board member shall not serve on the Board of more than five publicly listed joint-stock companies simultaneously.                      (f) A member of the company's Board may not serve on the Board of another local insurance and/or reinsurance company or any of its subsidiaries, nor hold any leadership position in those companies.</p>	<p><b><u>Article Two: Purpose:</u></b>                      This policy aims to establish an organized and transparent framework that ensures the selection of Board members who possess the necessary competence and experience, thereby enhancing the Board's ability to perform its roles, duties, and responsibilities efficiently and effectively, while ensuring the sustainability and effectiveness of the Board's operations. Additionally, this policy aims to establish and define the necessary mechanisms to regulate and organize the rules and controls for nomination and appointment to the Board of Directors, specify the qualifications and conditions required for members, ensure compliance by candidates with the requirements of regulatory authorities and related laws and regulations, and achieve a balance of specializations and experiences within the Board, in a manner that serves the interests of the company, policyholders, and shareholders alike.</p>
	<p><b><u>Article Three: Scope of Application:</u></b>                      This policy applies to all members of the company's Board of Directors and candidates for its membership.</p>
	<p><b><u>Article Four: Formation of the Board of Directors:</u></b></p>

<p>(g) Only with prior written approval from the Saudi Arabian Monetary Authority may someone be nominated for Board membership if they previously held the same position in a dissolved company or were dismissed from the same position in another company.</p> <p>(h) The company may specify in writing the qualifications, experience, and skills required for the members.</p> <p>(i) The company shall undertake due diligence to ensure that the approved criteria are met by current and/or new members.</p>	<ol style="list-style-type: none"> <li>1. The company's bylaws shall specify the number of Board members, which shall not be less than three.</li> <li>2. Each shareholder has the right to nominate themselves or another person or more than one among the shareholders or others for Board membership.</li> <li>3. The composition of the Board must reflect an appropriate representation of independent members. In all cases, the number of independent members on the Board shall not be less than two members or one-third of the total Board members.</li> <li>4. The majority of the Board members must be non-executive members.</li> </ol> <p>The Board should generally possess diversity in terms of qualifications, knowledge, experience, and skills across various fields of the company's activities.</p>
<p><b><u>Article One: Formation of the Board of Directors</u></b></p> <p><b>First: Composition of the Board of Directors:</b></p> <p>(a) The company's bylaws shall specify the number of Board members, which shall not exceed eleven (11) and shall not be less than five (5) members on a continuous basis.</p> <p>(b) The composition of the Board must reflect an appropriate representation of independent members. In all cases, the number of independent members on the Board shall not be less than two members or one third of the total Board members.</p> <p>(c) The majority of the Board members must be non-executive members.</p> <p>(d) The Board should generally possess diversity in terms of qualifications,</p>	<p><b><u>Article Five: Publication of the Nomination Announcement:</u></b></p> <p>The company must publish the nomination announcement on its website, the market's website, and any other means specified by the authority or any other regulatory body to invite individuals interested in nominating themselves for Board membership, with the nomination period remaining open for at least one month from the date of the announcement.</p> <p><b><u>Article Six: Conditions and Criteria for Membership on the Board of Directors and Nomination Requirements.</u></b></p> <p><b>(a) General Conditions and Criteria:</b></p> <ol style="list-style-type: none"> <li>1. Each member must possess an appropriate level of qualifications, knowledge, experience, skills, integrity, and independence to effectively perform their role and responsibilities.</li> <li>2. It should be ensured that members generally demonstrate competence, due diligence, a strategic perspective, good managerial insight, the ability to manage and supervise, awareness of legal and financial aspects, and familiarity with the company's operations and activities in particular.</li> </ol>

<p>knowledge, experience, and skills across various fields of the company's activities.</p> <p><b><u>Second: Conditions and Criteria for Membership on the Board of Directors.</u></b></p> <p>(a) Each member must possess an appropriate level of qualifications, knowledge, experience, skills, integrity, and independence to effectively perform their role and responsibilities.</p> <p>(b) Members should generally demonstrate competence, due diligence, a strategic perspective, good management insight, the ability to manage and supervise, awareness of legal and financial aspects, and familiarity with the company's activities and operations in particular.</p> <p>(c) A member of the Board should possess leadership skills that enable them to delegate authority to enhance performance and apply best practices in effective management while adhering to values and professional ethics.</p> <p>(d) A member of the Board must not have any health impediment that prevents them from performing their duties and responsibilities.</p> <p>(e) It is required that a Board member shall not serve on the Board of more than five publicly listed joint-stock companies simultaneously.</p> <p>(f) A member of the company's Board may not serve on the Board of another local insurance and/or reinsurance company or</p>	<ol style="list-style-type: none"> <li>3. A member of the Board must possess leadership skills that enable them to delegate authority to enhance performance and apply best practices in effective management while adhering to values and professional ethics.</li> <li>4. A member of the Board must not have any health impediment that prevents them from performing their duties and responsibilities.</li> </ol> <p><b>(b) Specific Conditions and Criteria:</b></p> <ol style="list-style-type: none"> <li>1. A Board member shall not serve on the Board of more than five publicly listed joint-stock companies simultaneously.</li> <li>2. A member of the company's Board may not serve on the Board of another local insurance and/or reinsurance company or any of its subsidiaries, nor hold any leadership position in those companies.</li> <li>3. Only with prior written approval from the Insurance Authority may someone be nominated for Board membership if they previously held the same position in a dissolved company or were dismissed from the same position in another company.</li> <li>4. The committee shall undertake due diligence to ensure that the approved criteria are met by current and/or new members.</li> </ol> <p><b>(c) Nomination Requirements and Conditions</b></p> <p><b>First: Conditions Required for the Candidate:</b></p> <ol style="list-style-type: none"> <li>1. A candidate for Board membership must be at least 32 years old and not more than 70 years old at the time of nomination. The committee may exempt the candidate from either age limit if they possess the competence, qualifications, and experience that justify such an exemption.</li> <li>2. The candidate must hold a minimum of a bachelor's degree.</li> <li>3. The candidate must have at least 10 years of practical experience in areas related to the company's business, financial companies, or joint-stock companies. The committee may exempt</li> </ol>
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<p>any of its subsidiaries, nor hold any leadership position in those companies.</p> <p>(g) Only with prior written approval from the Saudi Arabian Monetary Authority may someone be nominated for Board membership if they previously held the same position in a dissolved company or were dismissed from the same position in another company.</p> <p>(h) The company may specify in writing the qualifications, experience, and skills required for the members.</p> <p>(i) The company shall undertake due diligence to ensure that the approved criteria are met by current and/or new members.</p> <p><b><u>Article One: Formation of the Board of Directors:</u></b></p> <p><b>First: Composition of the Board of Directors:</b></p> <p>(a) The company's bylaws shall specify the number of Board members, which shall not exceed eleven (11) and shall not be less than five (5) members on a continuous basis.</p> <p>(b) The composition of the Board must reflect an appropriate representation of independent members. In all cases, the number of independent members on the Board shall not be less than two members or one-third of the total Board members.</p> <p>(c) The majority of the Board members must be non-executive members.</p>	<p>candidates from the minimum experience requirement or its type if they possess higher academic qualifications or distinguished quality experiences that would add value to the company's operations and the Board.</p> <ol style="list-style-type: none"> <li>4. It is preferred that the candidate has held leadership positions or memberships on Boards of Directors or committees in joint-stock companies or financial or insurance entities.</li> <li>5. The candidate must have a good professional reputation and a record free of any violations or rulings affecting integrity, honesty, or professional conduct. The committee has the right to request a certificate of good conduct from one or more candidates if deemed necessary to verify this, through the relevant authorities. The committee may exclude the candidate if they do not respond or fail to provide the required report within the specified timeframe.</li> <li>6. The candidate must have financial solvency and must not have been subject to a final ruling of bankruptcy, insolvency, or any financial crime. The committee may request a credit report from one or more candidates from licensed credit rating companies in the Kingdom or their actual place of residence to verify their financial status. The committee may exclude the candidate if they do not respond or fail to provide the required report within the specified timeframe.</li> </ol> <p><b>Second: Required Documents:</b></p> <p>The candidate must submit the following documents in both Arabic and English, where applicable:</p> <ol style="list-style-type: none"> <li>1. Complete the nomination form approved by the committee and attach a copy of the curriculum vitae, academic qualifications, professional qualifications, experience certificates,</li> </ol>
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<p>(d) The Board should generally possess diversity in terms of qualifications, knowledge, experience, and skills across various fields of the company's activities.</p> <p><b><u>Second: Conditions and Criteria for Membership on the Board of Directors.</u></b></p> <p>(a) Each member must possess an appropriate level of qualifications, knowledge, experience, skills, integrity, and independence to effectively perform their role and responsibilities.</p> <p>(b) Members should generally demonstrate competence, due diligence, a strategic perspective, good managerial insight, the ability to manage and supervise, awareness of legal and financial aspects, and familiarity with the company's operations and activities in particular.</p> <p>(c) A member of the Board must possess leadership skills that enable them to delegate authority to enhance performance and apply best practices in effective management while adhering to values and professional ethics.</p> <p>(d) A member of the Board must not have any health impediment that</p>	<p>and copies of the national ID/residency permit and passport.</p> <ol style="list-style-type: none"> <li>2. Provide a statement detailing the number and duration of previous and current memberships in joint-stock companies.</li> <li>3. Provide a declaration stating that there is no conflict of interest or competition with the company, and that no ruling or decision has been issued against them for a crime related to integrity or honor.</li> <li>4. The committee may request any additional documents or clarifications from the candidates, if deemed necessary to complete the application review.</li> <li>5. Complete the CV form No. (3) specific to the Capital Market Authority and form No. (1).</li> <li>6. Complete the suitability form specific to the Insurance Authority.</li> </ol> <p><b><u>Article Seven: Procedures for Determining the Selection of Board Members:</u></b></p> <p><b>First: Reviewing, Examining, and Sorting Nomination Applications:</b></p> <ol style="list-style-type: none"> <li>1- The committee shall review and sort the candidates' applications and then determine and select the nominees according to these standards, the provisions of the Corporate Governance Regulations for Insurance Companies, and the Corporate Governance Regulations, as well as any requirements set forth by the Insurance Authority and the Capital Market Authority, along with related laws, regulations, and instructions.</li> <li>2- The committee may request any additional documents, information, or clarifications from the candidate that it deems necessary to verify their</li> </ol>
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<p>prevents them from performing their duties and responsibilities.</p> <p>(e) It is required that a Board member shall not serve on the Board of more than five publicly listed joint-stock companies simultaneously.</p> <p>(f) A member of the company's Board may not serve on the Board of another local insurance and/or reinsurance company or any of its subsidiaries, nor hold any leadership position in those companies.</p> <p>(g) Only with prior written approval from the Saudi Arabian Monetary Authority may someone be nominated for Board membership if they previously held the same position in a dissolved company or were dismissed from the same position in another company.</p> <p>(h) The company may specify in writing the qualifications, experience, and skills required for the members.</p> <p>(i) The company shall undertake due diligence to ensure that the approved criteria are met by current and/or new members.</p> <p><b><u>Article Two: Appointment of Board Members:</u></b></p> <p><b><u>First: Nomination:</u></b></p> <p><b><u>The procedures for nominating Board members must consider the following:</u></b></p>	<p>compliance with the approved conditions and criteria.</p> <p>3- The committee may, at its discretion, conduct personal interviews with the candidates or some of them to evaluate their competence and independence, and it may exclude any candidate who refuses or fails to attend the interview.</p> <p>4- After completing the evaluation, the committee submits its recommendations to the Board of Directors with the names of the candidates who meet the regulatory requirements and approved criteria, as well as those excluded and the reasons for their exclusion. Subsequently, consent from the Insurance Authority must be obtained before presenting the candidates to the General Assembly for appointment approval.</p> <p><b>Second: Election of Board Members</b></p> <p>1- The company shall announce on the market's website information about the candidates for Board membership when publishing or directing the invitation for convening the General Assembly. This information must include a description of the candidates' experiences, qualifications, current positions, and past and present memberships. The company must also provide a copy of this information at its headquarters and on its website.</p> <p>2- The number of candidates nominated for the Board must exceed the number of available seats to give the General Assembly the opportunity to choose from among the nominees. The Board may utilize the services of an independent external specialist to identify additional candidates for</p>
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<p>(a) The company must publish a nomination announcement on its website, the market's website, and any other means specified by the authority or any other regulatory body to invite individuals interested in nominating themselves or others for Board membership, with the nomination period remaining open for at least one month from the date of the announcement.</p> <p>(b) Each shareholder has the right to nominate themselves or others for Board membership in accordance with the provisions of the Companies Law and its executive regulations.</p> <p>(c) The Remuneration Committee and the Nominations Committee, when nominating Board members, must consider what is stated in these criteria, the Corporate Governance Regulations for Insurance Companies, the updated Corporate Governance Regulations, and any requirements set by the Saudi Arabian Monetary Authority and the Capital Market Authority.</p> <p>(d) The Nominations and Remuneration Committee shall review the applications for Board membership and document all relevant observations and recommendations.</p> <p>(e) Obtain written consent from the Saudi Arabian Monetary Authority before electing any Board member.</p> <p>(f) The company shall inform the Saudi</p>	<p>Board membership if there are not enough nominees.</p> <p>3- The General Assembly elects the members of the Board of Directors for the term specified in the company's bylaws, and they may always be re-elected unless otherwise stipulated in the bylaws.</p> <p>4- Cumulative voting must be used in the election of the Board of Directors.</p> <p>5- Voting in the General Assembly is restricted to the candidates for Board membership for whom the company has announced information in accordance with paragraph (1) of the second clause of this article.</p> <p>6- The Capital Market Authority and the Insurance Authority must be notified of the names of the Board members and their membership status within five working days from the commencement date of the Board's term or from their appointment date—whichever is closer—and of any changes to their membership within five working days of the occurrence of such changes.</p> <p>7- After their appointment, Board members shall undergo an induction program and each member should be provided with an appointment letter outlining their duties and responsibilities, as well as comprehensive information about the company's operations, strategic plans, and relevant regulations and bylaws.</p> <p>8- Following their appointment, Board members should ensure they are informed of the latest regulatory developments and participate in training programs organized by the company as needed.</p> <p><b>Article Eight: Termination of Board Membership:</b></p>
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Arabian Monetary Authority when any nomination applications for Board membership are rejected, along with the reasons for the rejection.

(g) The number of candidates nominated for the Board must exceed the number of available seats to provide the General Assembly with the opportunity to choose from the nominees. The Board may, in case of insufficient candidates, seek the services of an independent external specialist to identify additional nominees for Board membership.

(h) The company shall announce on the market's website information about the candidates for Board membership when publishing or directing the invitation for convening the General Assembly, which must include a description of the candidates' experiences, qualifications, current and previous positions, and memberships. The company must provide a copy of this information at its headquarters and on its website.

**Second: Appointment:**

(a) The General Assembly elects the members of the Board of Directors for the duration specified in the company's bylaws, provided that it does not exceed three years, and they may always be re-elected unless otherwise stipulated in the bylaws.

(b) Cumulative voting must be used in the

(a) Membership in the Board of Directors terminates upon the conclusion of the Board's term, resignation, death, absence from three consecutive meetings or five separate meetings during their term without a valid excuse accepted by the Board, or if the Board determines that the member has breached their duties in a manner that harms the company's interests, provided that this is accompanied by the approval of the ordinary General Assembly. It also terminates if their membership ends in accordance with any applicable laws or regulations in the Kingdom of Saudi Arabia, or if they are declared bankrupt or insolvent, or if they submit a request for a settlement with their creditors, or if they cease to pay their debts, or if they suffer from a mental illness or physical disability that may prevent them from effectively carrying out their role, or if they are found to have committed acts inconsistent with integrity and ethics, or if they are convicted of forgery by a final ruling.

(b) The ordinary General Assembly may, at any time, dismiss all or some members of the Board of Directors. In this case, the ordinary General Assembly has the right to elect a new Board of Directors or appoint a replacement for the dismissed member, as applicable, in accordance with the provisions of the Companies Law and its executive regulations.

(c) If a Board member resigns and has comments on the company's performance, they must submit a written statement to the Chairman of the Board, and this statement must be presented to the members of the Board.

(d) The Insurance Authority must be notified when any member of the Board resigns or has their membership terminated for any reason other than the conclusion of the Board's term, within five (5) working days from the date of departure, while adhering to relevant disclosure requirements.

**Article Nine: Termination of the Board's Term or Resignation of Its Members or Vacancy in Membership:**

<p>election of the Board, such that the voting right for each share may not be used more than once.</p> <p>(c) Voting in the General Assembly is limited to the candidates for Board membership for whom the company has announced information in accordance with paragraph (h) of the first clause of this article.</p> <p>(d) The authority and the market must be notified immediately of the election results after the Assembly concludes, in accordance with the Financial Market Law and its executive regulations.</p> <p>(e) The authority must be notified of the names of the Board members and their membership status within five working days from the commencement date of the Board's term or from their appointment date—whichever is closer—and any changes to their membership must be reported within five working days of the occurrence of the changes.</p> <p>(f) After their appointment, Board members are required to undergo an induction program, and each member should be provided with an appointment letter outlining their duties and responsibilities, in addition to comprehensive information about the company's operations and strategic plans, as well as relevant regulations and bylaws.</p> <p>(g) Following their appointment, Board members should ensure they are informed</p>	<ol style="list-style-type: none"> <li>1. Before the expiration of its term, the Board of Directors must convene the ordinary General Assembly to elect a new Board of Directors for the next term. If the election cannot be held and the current term of the Board expires, its members shall continue to perform their duties until a new Board is elected, provided that the duration of continued service by the members of the outgoing Board does not exceed the period specified by the executive regulations of the Companies Law.</li> <li>2. If the Chairman and members of the Board resign, they must convene the ordinary General Assembly to elect a new Board of Directors. The resignation shall not take effect until the new Board is elected, and the duration of the resigning Board's continued service shall not exceed the period specified by the executive regulations of the Companies Law.</li> <li>3. A member of the Board of Directors may resign from Board membership by providing written notice to the Chairman of the Board. If the Chairman of the Board resigns, the notice must be addressed to the other Board members and the Secretary of the Board. The resignation shall be effective— in both cases— from the date specified in the notice.</li> <li>4. If a position on the Board of Directors becomes vacant due to the death of any member or resignation, and this vacancy does not lead to a violation of the conditions necessary for a valid Board meeting due to a lack of members below the minimum required, the Board may appoint (temporarily) someone with the necessary experience and competence to fill the vacant position after obtaining the consent of the Insurance Authority. The commercial registry and the Capital Market Authority must be notified of this appointment if the company is listed on</li> </ol>
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<p>of the latest regulatory developments and participate in training programs organized by the company as needed.</p>	<p>the financial market within fifteen (15) days of the appointment date, and the appointment must be presented to the ordinary General Assembly at its first meeting. The appointed member shall complete the term of their predecessor.</p>
<p><b><u>Article Three: Termination of Membership:</u></b></p> <p>(a) Membership in the Board of Directors terminates according to what is stipulated in the company's bylaws.</p> <p>(b) The ordinary General Assembly may at any time dismiss all or some Board members, even if the company's bylaws state otherwise, without prejudice to the right of the dismissed member to compensation if the dismissal occurs for an unacceptable reason or at an inappropriate time.</p> <p>(c) The General Assembly may, upon the recommendation of the Board of Directors, terminate the membership of any member who has been absent from three consecutive Board meetings without a valid excuse.</p> <p>(d) The company must notify the Saudi Arabian Monetary Authority within five working days of the resignation or termination of any member's membership.</p> <p>(e) Upon the termination of a Board member's membership by any means, the company shall immediately notify the Capital Market Authority and the market, stating the reasons for the termination.</p> <p>(f) If a Board member resigns and has comments on the company's performance, they must submit a written statement</p>	<p><b><u>Article Ten: General Provisions:</u></b></p> <ol style="list-style-type: none"> <li>1. The committee may amend the nomination forms or required documents whenever necessary, in accordance with the regulatory requirements issued by the relevant authorities.</li> <li>2. Except as stated in paragraph (1) of this article, no modifications, deletions, or additions to this policy shall be made except by a proposal from the Board of Directors and the approval of the company's General Assembly.</li> <li>3. This policy shall come into effect from the date of approval by the General Assembly and shall replace the policies and standards for membership procedures on the Board of Directors approved by the ordinary General Assembly on June 4, 2017.</li> </ol>

detailing these comments to the Chairman of the Board, and this statement must be presented to the Board.

**Article Four: Vacant Positions on the Board:**

(a) In the event of a vacancy in the (أ) position of a Board member, the Board may temporarily appoint a member to fill the vacant position, provided that they possess sufficient experience and after obtaining the consent of the Saudi Arabian Monetary Authority, without regard to the order of votes received in the General Assembly through which the Board was elected. The Capital Market Authority must be notified within five (5) working days from the date of the appointment, and this appointment must be presented to the ordinary General Assembly at its first meeting, with the new member serving only the remainder of their predecessor's term.

(b) By decision of the competent authority, the ordinary General Assembly may be convened if the number of Board members falls

below the minimum required for a valid meeting.

**Article Five: General Provisions:**

1. No modifications, deletions, or additions to these regulations shall be made except by a proposal from the Board of Directors and the approval of the company's General Assembly.
2. These rules shall come into effect from the date of approval by the General Assembly and shall replace the policies and standards for membership procedures on the Board of Directors approved by the ordinary General Assembly on May 5, 2010.

# PROPOSAL TO AMEND THE NOMINATION AND REMUNERATION COMMITTEE CHARTER

DECEMBER 1, 2025

Article Text/No. Before Amendment in the Current Charter	Article Text/No. After Amendment
N/A (New Article)	<p><b>Preamble:</b> This Charter has been prepared to regulate the work of the Nomination and Remuneration Committee (NRC), defining its duties, responsibilities, and operating mechanisms in compliance with relevant laws and regulations, and to enhance the Committee's ability to support the Board of Directors in performing its duties effectively.</p>
N/A (New Article)	<p><b>Article 1: Definitions:</b> The terms and definitions set forth in the Glossary of Terms used in the Capital Market Authority (CMA) Regulations and Rules shall apply, as well as the definitions in the Insurance Authority (IA) regulations and instructions, unless a specific definition is provided in this Charter.</p> <p><b>Company:</b> Arabia Insurance Cooperative Company.</p> <p><b>Board:</b> The Board of Directors of the Company.</p> <p><b>Committee:</b> The Nomination and Remuneration Committee.</p> <p><b>Charter:</b> The NRC Charter.</p>
<p><b>Article 1: Composition of the Committee:</b> The Committee consists of at least three members appointed by the Board for a term not exceeding three years and not less than one year. At least two members must be independent. Executive directors or any person performing technical or administrative work in the company (even as a consultant) are prohibited from membership.</p>	<p><b>Article 2: Committee Composition:</b> The Committee is formed by a decision of the Board of Directors after obtaining a "No Objection" from the Insurance Authority, for a term matching the Board's term. The Board selects members from within or outside the Board. The Committee shall consist of at least three (3) and at most five (5) members, including two independent members. Executive directors or any person performing technical or administrative work in the company (even as a consultant) are prohibited from membership.</p>
<p><b>Article 2: Appointment of Chairman and Secretary:</b> The Committee elects a Chairman from</p>	<p><b>Article 3: Appointment of the Committee Chairman:</b> The Committee shall elect a Chairman from its</p>

<p>its members. The Board Chairman cannot chair this Committee. It may appoint a Secretary to prepare minutes and schedule meetings.</p>	<p><b>independent members.</b> The Chairman of the Board of Directors cannot chair this Committee.</p>
<p><b>Article 3: Termination of Membership:</b> Membership ends with the Board's term. The Board may dismiss members for violations. A member is deemed resigned if they miss three consecutive meetings without an excuse accepted by the Board.</p>	<p><b>Article 4: Termination of Membership:</b> Membership ends with the Board's term. The Board may dismiss members for violating regulatory requirements or any other reason. A member may resign at an appropriate time. A member is deemed resigned if they miss <b>more than three consecutive meetings</b> without an excuse accepted by the Board.</p>
<p><b>Article 4: Vacancy:</b> If a seat becomes vacant, the Board appoints a replacement to complete the predecessor's term.</p>	<p><b>Article 5: Vacancy:</b> If a seat becomes vacant and it affects the <b>minimum regulatory requirement</b> for the Committee's formation, the Board shall appoint a replacement to complete the predecessor's term.</p>
<p><b>Article 5: Meeting Invitations and Quorum:</b> Meetings are called by the Chairman. A quorum is a majority of members. Voting by proxy is prohibited. Minutes must be recorded and signed. Reports are submitted to the Board.</p>	<p><b>Article 6: Invitation and Meeting Requirements:</b> Meetings are held by invitation from the Chairman periodically at the company's headquarters, elsewhere, or via <b>modern technology</b> at least <b>twice a year</b> or as needed. Proxies are prohibited. A quorum requires a majority of members.</p>
<p>N/A (New Article)</p>	<p><b>Article 7: Decision Making and Documentation:</b> Decisions are passed by a majority of members present; in case of a tie, the Chairman has the casting vote. Minutes must include all views and be signed by the Chairman and Secretary. Reports are submitted to the Board.</p>
<p>N/A (New Article)</p>	<p><b>Article 8: Appointment of the Secretary and Remuneration:</b> The Committee appoints a Secretary (from members or employees) without voting rights. The Secretary organizes meetings, drafts minutes, and follows up on decisions. The Board determines the Secretary's remuneration per meeting.</p>
<p><b>Article 7: Duties and Responsibilities:</b> (Detailed list of duties regarding nominations and remuneration policies, performance evaluation, and regulatory compliance).</p>	<p><b>Article 9: Duties and Responsibilities:</b> <b>1. Nominations:</b> Propose membership policies, recommend candidates, prepare job descriptions,</p>

	<p>annual review of skills, periodic evaluation of Board/Committees, and oversee training.</p> <p><b>2. Remuneration:</b> Prepare remuneration policy for Board and Executives, review compensation plans, and ensure periodic review of policy effectiveness.</p>
<p><b>Article 6: Seeking External Expertise:</b> The Committee may seek external consultancy services to assist in its duties.</p>	<p><b>Article 10: Seeking External Expertise:</b> The Committee may seek external consultancy services to assist in its duties.</p>
<p><b>Article 8: Remuneration:</b> Attendance fees per meeting as per the Board-approved policy and Companies Law.</p>	<p><b>Article 11: Remuneration of Committee Members:</b> Each member is entitled to remuneration as per the <b>approved policy</b> and in accordance with relevant laws and regulations.</p>
<p><b>Article 9: General Provisions:</b> Prohibits conflict of interest, competing with the company, and disclosing secrets. Amendments require Board proposal and General Assembly approval.</p>	<p><b>Article 12: General Provisions:</b> No direct or indirect interest in contracts. Prohibition of competition. Obligation to maintain confidentiality. Amendments require Board proposal and General Assembly approval. This Charter supersedes any previous versions.</p>