

Item #7:

amendment audit committee charter.

شركة ملاذ للتأمين التعاوني
س.ت. ١٠٢٣١٧٨٧

Malath Cooperative Insurance Co.
C.R. No. 1010231787



Amendment on the Audit Committee Charter

Subject	Current version	Provisions after Proposed Amendments	Justification for the /change Reference
<p>Introduction</p>	<p>Introduction</p> <p>This charter is subject to the Audit Committee Regulations, Company rules & Corporate Governance Regulations issued by the Ministry of Commerce and Investment, Saudi Arabian Monetary Agency (SAMA) & CMA. The objective of this charter is to determine the Committee's scope of work and authority, tasks and responsibility, Committee members' remuneration and other related information.</p> <p>Audit Committee: is an independent Committee that reports directly to the Company's Board. The Committee's mandate includes monitoring the performance and implementation of the internal control systems of the Company, ensuring the effectiveness and efficiency of those systems, verifying the implementation of internal control decisions and actions, and ensuring compliance with the Supervision of Cooperative Insurance Companies Control Law and its Implementing Regulations, other applicable Laws, and Regulations.</p>	<p>1. Introduction</p> <p>This charter is subject to the companies' law and implementing regulations issued by the ministry of commerce, audit committee regulations issued by insurance authority and CMA. The objective of this charter is to determine the Committee's scope of work, purpose, authority, tasks and responsibility, committee members' remuneration and other related information.</p> <p>Authority: Insurance authority</p> <p>Senior Management: The Managing Director and Chief Executive Officer, his deputies, Chief Financial Officer, Managers of key departments and Heads of Risk Management, Internal Audit and Compliance Departments.</p> <p>Audit Committee (The Committee): is an independent Committee that reports directly to the Company's Board. The Committee's mandate includes monitoring the performance and implementation of the internal control systems of the Company, ensuring the effectiveness and efficiency of those systems, verifying the implementation of internal control decisions and actions and ensuring compliance with the Supervision of Cooperative Insurance Companies Control Law and its Implementing Regulations, other applicable Laws, Regulations and instructions.</p>	<p>-Numbering Added.</p> <p>-The wording was amended by deleting and adding.</p> <p>- Amendment of the name of the regulator.</p> <p>- Added the definition of Senior Management and Authority To align with SAMA's AC regulation (4-e)</p>

	<p>Compliance Department: an independent department that reports to the Audit Committee and administratively to the Chief Executive Officer (CEO). Its mandate is to ensure the Company's compliance with the laws and Regulatory Bodies. The department submits, to the audit Committee, reports on the company's violations of the Laws, Regulations, and Instructions.</p> <p>Internal Audit Department: an independent department that reports to the Audit Committee and administratively to the CEO. Its mandate is to set the audit action plan for the Company, to monitor the company's performance through evaluating and verifying the operations to ensure that there are no financial or non-financial violations of the Company's bylaws, to ensure the compliance with the internal control systems, to ensure effectiveness and efficiency of those systems, and to verify the implementation of internal audit decisions. The department submits its reports to the Audit Committee</p>	<p>Compliance Department: an independent department that reports to the Audit Committee and administratively to the Chief Executive Officer (CEO). Its mandate is to ensure the Company's compliance with the laws and Regulatory Bodies. The department submits, to the audit Committee, reports on the company's violations of the Laws, Regulations and Instructions.</p> <p>Internal Audit Department: an independent department that reports to the Audit Committee and administratively to the CEO. Its mandate is to set the audit action plan for the Company, to monitor the company's performance through evaluating and verifying the operations to ensure that there are no financial or non-financial violations of the Company's bylaws, to ensure the compliance with the internal control systems, to ensure effectiveness and efficiency of those systems and to verify the implementation of internal audit decisions. The department submits its reports to the Audit Committee.</p>	
<p>Scope</p>	<p style="text-align: center;">Scope</p> <p>2.1 These policies apply to the Audit Committee at Malath Cooperative Insurance and Reinsurance Co.</p> <p>2.2 The Company's General Assembly shall, upon a recommendation of the Board, issue the charter for the audit Committee.</p>	<p style="text-align: center;">1. Organizational Principles</p> <p style="text-align: center;">1.1. Scope</p> <p>This charter applies to the Audit Committee at Malath Cooperative Insurance Company.</p> <p>The Company's General Assembly shall, upon a recommendation of the Board, issue the charter for the audit Committee.</p>	<p style="text-align: center;">Added.</p> <p style="text-align: center;">Deleted to align with the company's Scope</p>

		<p style="text-align: center;">1.2. Purpose</p> <p>The purpose of the audit committee is to provide a structured, systematic oversight of the company's governance, risk management and internal control practices. The committee assists the board and management by providing advice and guidance on the adequacy of the company's initiatives for:</p> <ul style="list-style-type: none"> - Values and ethics. - Governance structure. - Risk management. - Internal control framework. - Oversight of the internal audit activity, external auditors and other providers of assurance. - Financial statements and reporting. <p>In broad terms, the audit committee reviews each of the items noted above and provides the board with independent advice and guidance regarding the adequacy and effectiveness of management's practices and potential improvements to those practices.</p>	<p>Added the purpose paragraph</p> <p>To emphasize the purpose of audit committee with respect to the core objective of internal audit i.e. assessing and evaluating the company's governance, risk management and controls....etc as required by the IIA standards.</p>
Board of Directors Responsibilities	<p style="text-align: center;">Board of Directors Responsibilities</p> <p>4.1The Board of Directors are fully responsible for the Audit Committee's businesses in pursuance of the regulations and instructions under which the Company operates.</p> <p>4.2 The Board of Directors are responsible for ensuring the efficiency and effectiveness of the controls and financial reports and for safeguarding the assets of the Company.</p>	<p style="text-align: center;">1.3. Board of Directors Responsibilities</p> <p>The BOD is fully responsible for the audit committee's businesses in pursuance of the regulations and instructions under which the company operates.</p> <p>The BOD is responsible for ensuring the efficiency and effectiveness of the controls and financial reports and for safeguarding the assets of the company.</p>	<p>rearranged the Articles</p>
		<p style="text-align: center;">1.4. BOD commitments</p> <p>Taken into consideration that the audit committee formed by the BOD and delegated to carry out specific actions, the BOD's obligations shall include, but not be limited to, the following:</p> <ul style="list-style-type: none"> - The BOD and senior management of the company shall provide all that is required from them in order to facilitate the work of the audit committee, 	<p>- Added the Articles</p> <p>To align with SAMA's AC regulation (-11 16-15-14-13-12)</p>

		<p>internal audit department and compliance control department.</p> <ul style="list-style-type: none">- The BOD shall ensure that the company has in place an appropriate organizational structure, internal policies and regulations that must be periodically reviewed and the system and methodology for reporting within the company on the different issues that fall within the remit of the audit committee.- The BOD shall formulate the responsibilities and functions of the audit committee and incorporate them in the minutes of a board meeting, including the authority to investigate any activity within its terms of reference and have access to any information it may need.- The BOD shall select the audit committee members in accordance with selecting procedures of the audit committee's members, manner in which the audit committee monitors its activities and the duration of the audit committee issued by the general assembly upon a recommendation of the board. In addition, the BOD shall fix their duration terms, schedule their rotations and ensure their meetings are held on a sufficient periodic basis.- The BOD shall follow up the audit committee's work, ensure that it performs its assigned responsibilities and duties and discuss relevant issues with it, including reports prepared by the audit committee. The BOD shall also ensure that the audit committee follow up with the local and international developments in accounting standards.- The BOD shall ensure that the audit committee plays an oversight role and does not exercise in executive functions or make administrative decisions.	
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<p>Scope of Authority</p>	<p style="text-align: center;">Scope of Authority</p> <p>2.3 The Audit Committee is entitled to contact directly the Board of Directors, senior management of the Company, all employees, Committees, and legal advisors, internal and external auditors in the Company’s Head Office and/or branches and other parties related to the Company. It may also review all private and confidential records and documents necessary to perform its activities. The Audit Committee also has the right to seek the assistance of any external consultant to do specific tasks in order to assist it in performing its work.</p>	<p style="text-align: center;">Scope of Authority</p> <p>In discharging its responsibilities, the audit committee is entitled to have unrestricted access to the Board of Directors, senior management of the Company, all employees, Committees, and legal advisors, internal and external auditors in the Company’s Head Office and/or branches and other parties related to the Company. If access to requested documents is denied due to legal or confidentiality reasons, the audit committee and/or Head of internal audit will follow a prescribed, board approved mechanism for resolution of the matter.</p> <p>The Audit Committee also has the right to seek the assistance of any external consultant to do specific tasks in order to assist it in performing its work.</p> <p>The audit committee also has the right to request any clarification or statement from the board members or the executive management and to request that the board calls for a general assembly meeting if its activities have been impeded by the board or if the company has suffered significant losses and damages.</p>	<p>-rearranged the articles.</p> <p>-The wording was amended by deleting and adding.</p> <p>-Added To have a proposed solution in advance of any issue that may arise as a result of such condition which align with IIA – Model AC Charter</p>

	<p style="text-align: center;">Committee Formation</p> <p>4.3 The Audit Committee shall be formed in accordance with Audit Committee's Selecting Procedures, the duration of its term and the monitors of its activities that issued by the General Assembly upon a recommendation of the Board.</p>	<p style="text-align: center;">1.6. Committee Formation</p> <p>The Audit Committee shall be formed in accordance with Audit Committee's Selecting Procedures, the duration of its term and the monitors of its activities that issued by the General Assembly upon a recommendation of the Board.</p>	--rearranged the articles.
<p style="text-align: center;">Appointing the Chairman Secretary of the and the Committee</p>	<p style="text-align: center;">Appointing the Chairman and the Secretary of the Committee</p> <p>7.1 The shareholders shall, after obtaining SAMA's written no-objection appoint the Audit Committee's members, Board shall appoint one of Audit Committee's members as a Chairman thereof.</p> <p>7.2 The Chairman of the Board shall not be a member or Chairman of the Audit Committee.</p> <p>7.3 The Chairman of the Audit Committee shall not be related to the other members of the Board or have any financial or business relationship with any members of the Board.</p> <p>7.4 The Chairman of the Audit Committee of the Board shall not have a relationship with Senior Management of the company that could affect his independence.</p> <p>7.5 The Audit Committee shall appoint a Committee Secretary from the Company's staff to handle its administrative tasks, prepare meeting minutes and ensure</p>	<p style="text-align: center;">1.7. The Chair of the Audit Committee</p> <p>The Board of Directors shall, after obtaining insurance authority's written no-objection, shall appoint one of the Audit Committee's members as a Chairman thereof.</p> <p>The Chairman of the Board shall not be a member or Chairman of the Audit Committee.</p> <p>The Chairman of the Audit Committee shall not be related to the other members of the Board or have any financial or business relationship with any members of the Board.</p> <p>The Chairman of the Audit Committee of the Board shall not have a relationship with Senior Management of the company that could affect his independence.</p>	<p>The articles with respect to the Chairman and the Secretary separated into two different articles.</p> <p>Deleted to align with CMA'S CG Regulation (-21 (13 - Added To align with SAMA's AC regulation (-40 43-42-41)</p>

	<p>that its Chairman and the Members sign these minutes, and schedule the Audit Committee's meetings in coordination with its Chairman.</p> <p>7.6 The Audit Committee Secretary must document and keep meeting minutes in a special register.</p> <p>7.7 The Secretary of the Audit Committee shall not be a Secretary of any other board Committee.</p>		
	<p style="text-align: center;">Member Appointment and Term</p> <p>5.1. Audit Committee shall be formed by a decision of the General Assembly from non-executive board members either from the shareholders or otherwise, after obtaining SAMA's written non-objection, for a three-year term.</p> <p>5.2 The term of the Audit Committee or a member thereof may be renewed for another three-year term for one time only.</p> <p>5.3 Formation & appointment of new members by a decision of the General Assembly in the event of election of the new board after obtaining no objection letter from SAMA.</p> <p>5.4 An Audit Committee member has the right to resign, by providing the resignation request to the Board one month before its resignation becomes effective. The Company shall notify SAMA in writing of the resignation of a member of the Audit Committee and the reasons thereof and provide SAMA with a copy of the resignation within five (5) working days from the date of the resignation.</p>	<p style="text-align: center;">1.8. Member appointment and term</p> <p>The BOD appoints the chairman and members of the audit committee from non-executive board members either from the shareholders or otherwise, after obtaining insurance authority's written non-objection, for a period determined by the board's term.</p> <p>The Board may renew the term of the Audit Committee or a member thereof for a one time only.</p> <p>Formation & appointment of new members by a decision of the General Assembly in the event of election of the new board after obtaining no objection letter from insurance authority.</p> <p>An Audit Committee member has the right to resign, after providing the resignation request to the Board one month before its resignation becomes effective. The Company shall notify insurance authority in writing of the resignation of a member of the Audit Committee and the reasons thereof and provide insurance authority with a copy of the resignation request within five (5) working days from the date of the resignation.</p>	<p>amended to align with CMA'S CG Regulation (-21 (13</p> <p>Amended to align with CMA'S CG Regulation 17</p>

<p>Member Appointment and Term</p>	<p>5.5 An Audit Committee member shall be deemed resigned if he or she fails to attend any meetings of the Audit Committee for more than three consecutive times without presenting an excuse acceptable to the Board.</p> <p>5.6 The membership of an Audit Committee member shall terminate automatically upon the occurrence of any change that would breach the membership's terms set forth in this charter or any other Regulations, Instructions or Decisions issued by SAMA. The Audit Committee member shall immediately inform the Company in writing upon the occurrence of such a change and shall not attend any meeting of the Audit Committee held after the date of the change.</p>	<p>The membership of an Audit Committee member shall terminate automatically upon the occurrence of any change that would breach the membership's terms set forth in the audit committee regulation issued by insurance authority or any other Regulations, Instructions or Decisions issued by the authority. The Audit Committee member shall immediately inform the Company in writing upon the occurrence of such a change and he/she shall not attend any meeting of the Audit Committee held after the date of the change.</p> <p>The BOD, after obtaining insurance authority's written non-objection, may dismiss an audit committee member if he or she ceases to satisfy membership terms or violates the provisions of the audit committee regulation issued by insurance authority, the supervision of cooperative insurance companies control law and its implementing regulation or any relevant regulations and instructions.</p> <p>If there is a vacant seat in the audit committee during the membership term, the board, after obtaining insurance authority's written non-objection, shall appoint another member within a month of the vacancy date to fill the vacant position. The new member shall complete his or her predecessor's term.</p>	<p>Deleted and add To Preparation and attendance</p> <p>- Added To align with SAMA's AC regulation (27)</p> <p>- Added To align with SAMA's AC regulation (30)</p>
	<p>Membership Organization</p>	<p>1.9. Membership organization</p> <p>The Audit Committee shall consist of at least three members and at most five members, the majority of which shall be from outside the Board.</p>	

<p>Membership Organization</p>	<p>6.1 The Audit Committee shall consist of at least three members and at most five members, the majority of which shall be from outside the Board.</p> <p>6.2 The Audit Committee members shall not include the Company's executives, employees, or consultants.</p> <p>6.3 The Audit Committee members shall not include board members, executives, employees, consultants, representatives of any parties connected to the Company, including but not limited to:</p> <ul style="list-style-type: none"> a. Major shareholders and founders. b. External auditors. c. suppliers d. The Company's customers. e. The legal persons who have first-degree relationships with the Company's Board of Directors or executives or have any financial or business relationship therewith. <p>6.4 An Audit Committee member shall not be a member of a Board or an Audit Committee of any other company operating in the insurance sector in the Kingdom of Saudi Arabia.</p> <p>6.5 The Audit Committee member shall not be one of the executive members of the Board.</p> <p>6.6 The Audit Committee member nominated for membership by the board shall be independent.</p> <p>6.7 No Audit Committee Member shall simultaneously serve on the audit Committees of more than four public companies.</p> <p>6.8 The Board shall ensure that the members of the Audit Committee are appropriately qualified to discharge their responsibilities. At least two Audit Committee members, including the Audit Committee Chairman, are specialized in finance and accounting.</p> <p>6.9 Any person who works or has worked in the Company's finance Department, the Executive Management or for the Company's external auditor during the preceding two years may not be a member of the audit Committee.</p>	<p>The Audit Committee members shall not include the Company's executives, employees, or consultants.</p> <p>The Audit Committee members shall not include board members, executives, employees, consultants, representatives of any parties connected to the Company, including but not limited to:</p> <ul style="list-style-type: none"> A. Major shareholders and founders. B. External auditors C. Supplier D. The Company's customers. E. The legal persons who have first-degree relationships with the Company's Board of Directors or executives or have any financial or business relationship therewith. <p>An Audit Committee member shall not be a member of a Board or an Audit Committee of any other company operating in the insurance sector in the Kingdom of Saudi Arabia.</p> <p>The Audit Committee member shall not be one of the executive members of the Board.</p> <p>The Audit Committee member nominated for membership shall be independent.</p> <p>No Audit Committee Member shall simultaneously serve on the audit committees of more than four public companies.</p> <p>The Board shall ensure that the members of the Audit Committee are appropriately qualified to discharge their responsibilities. At least two Audit Committee members, including the AC Chairman, have recent and relevant accounting or financial management expertise or experience.</p> <p>Any person who works or has worked in the Company's finance Department, the Executive Management or for the Company's external auditor during the preceding two years may not be a member of the audit Committee.</p>	<p>Amended to align with SAMA's AC regulation (30 32-33-34-35-36-37-38-39</p>
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		<p>1.10. Quorum</p> <p>The quorum for the audit committee shall be a majority.</p>	Added To comply with IIA requirements
		<p>2. Operational Principles</p> <p>2.1. Audit Committee Values</p> <p>The audit committee shall conduct itself in accordance with the company's policy for professional conduct and ethical values. The audit committee expects that management and staff of the company will adhere to this policy.</p>	Added To comply with IIA requirements

<p>Confidentiality</p>	<p>Confidentiality</p> <p>3.1 All Audit Committee’s members shall maintain the confidentiality of all the topics related to the Audit Committee’s activities, even after vacating the Audit Committee membership.</p>	<p>2.2. Confidentiality</p> <p>All Audit Committee’s members shall maintain the confidentiality of all the topics related to the Audit Committee’s activities, even after vacating the Audit Committee membership.</p>	<p>-rearranged the articles.</p>
		<p>2.3. Communication</p> <p>The audit committee expects that all communication with management and staff of the company as well as with any external assurance providers will be direct, open and complete.</p>	<p>Added To comply with IIA requirements</p>
		<p>2.4. Audit committee action plan</p> <p>The Audit Committee shall develop its charter that shall be approved by the Board’s decision. This charter shall include the Audit Committees’ rules, responsibilities and obligations. In addition, the Audit Committee shall develop a detailed annual action plan that includes the key topics to be discussed during the year and meeting dates.</p>	<p>- Added To comply with IIA requirements and SAMA’s AC regulation (57)</p>
		<p>2.5. Meeting Agenda</p> <p>The chair shall establish agendas for audit committee meetings in consultation with audit committee members, senior management and the Head of internal audit.</p>	<p>Added To comply with IIA requirements</p>
		<p>2.6. Information requirements</p> <p>The audit committee shall establish and communicate its requirements for information, which shall include the nature, extent and timing of information. Information shall be provided to the audit committee at least one week prior to each audit committee meeting.</p>	<p>Added To comply with IIA requirements</p>
		<p>2.7. Executive sessions</p> <p>The audit committee, when it deems appropriate, shall schedule, and hold if necessary, a private session with the chief executive officer (CEO), the chief financial officer (CFO), the Head of internal audit, external assurance providers and any other officials.</p>	<p>Added To comply with IIA requirements</p>
		<p>2.8. Preparation and attendance</p> <p>An Audit Committee member shall be deemed resigned if he or she fails to attend any meetings of the Audit Committee for more than three consecutive times without presenting an excuse acceptable to the Board.</p>	<p>Added To comply with IIA requirements</p>

<p>Financial Transactions with the Company</p>	<p style="text-align: center;">Financial Transactions with the Company</p> <p>3.4 The Company shall not issue or renew any insurance policy for any of the Audit Committee’s members or parties related thereto before the full payment of the due premium. If any of the Audit Committee’s members submits a request for the payment of a claim under a policy issued to him or her by the Company, the claim should be treated in accordance with procedures and rules set forth by the company without any exception or preference. The Compliance manager should be notified of any payment due to the member.</p>		<p>The article Deleted and included as apart of Conflict of Interests</p>
<p>Conflict of Interests</p>	<p style="text-align: center;">Conflict of Interests</p> <p>3.2 An Audit Committee’s member shall not have any direct or indirect interest in the Company’s business and contracts concluded by it.</p> <p>3.3 An Audit Committee’s member shall not take part in any business that might compete with the Company or trade in the activities performed by the Company. The Company has the right to claim indemnification for any losses caused by such business or act.</p>	<p style="text-align: center;">Conflict(s) of interest</p> <p>An Audit Committee’s member shall not have any direct or indirect interest in the Company’s business and contracts concluded by it.</p> <p>An Audit Committee’s member shall not take part in any business that might compete with the Company or trade in the activities performed by the Company. The Company has the right to claim indemnification for any losses caused by such business or act.</p> <p>It is the responsibility of audit committee members to disclose any conflict of interest or appearance of a conflict of interest to the committee. If there is any question as to whether audit committee member(s) should recuse themselves from a vote, the committee should vote to determine whether the member should recuse himself or herself.</p> <p>The company shall not issue or renew any insurance policy for any of the audit committee’s members or parties related thereto before the full payment of the due premium. If any of the audit committee’s members submits a request for the payment of a claim under a policy issued to him or her by the company, the claim should be treated in accordance with procedures and rules set forth by the company without any exception or preference. The compliance officer should be notified of any payment due to the member.</p>	<p>Added To align with SAMA’s AC regulation 19</p>

<p>Committee's Meetings</p>	<p style="text-align: center;">Committee's Meetings</p> <p>11.1 The Audit Committee meetings shall not be held without the presence of at least half of its members.</p> <p>11.2 The Audit Committee shall meet at least six times a year, include an annual meeting with the Board of Directors. The Audit Committee is entitled, if the need arises, to hold other meetings in response to any of the following cases including but not limited to:</p> <p>a. Upon the request of the Chairman of the board.</p> <p>b. Cases in which the external auditor, internal auditor, compliance Manager or actuary requests a Committee meeting due to reason that requires so.</p> <p>c. Meetings on other issues such as:</p> <ul style="list-style-type: none"> - Financial and audit issues - Compliance issues - Conflicts of interest - Professional and ethical codes of conduct. 	<p style="text-align: center;">3.Operational Procedures</p> <p style="text-align: center;">3.1Committee's meetings</p> <p>The Audit Committee meetings shall not be held without the presence of the majority of its members.</p> <p>The Audit Committee shall meet at least six times a year, including an annual meeting with the Board of Directors. The Audit Committee is entitled, if the need arises, to hold other meetings in response to any of the following cases including but not limited to:</p> <ul style="list-style-type: none"> - Upon the request of the Chairman of the Board. - Cases in which the External Auditor, Internal Auditor, Compliance Officer or Actuary requests committee meeting due to reason that requires so. - Meetings on other issues such as: <ul style="list-style-type: none"> • Financial and audit issues • Compliance issues • Conflicts of interest • Professional and ethical codes of conduct 	<p>Amended to align with SAMA's CG regulation 50</p> <p style="text-align: center;">Amended</p>
		<p style="text-align: center;">3.2Minutes of meetings</p> <p>Audit committee meetings minutes shall be prepared and provided in draft format at least (5) working days after the meeting.</p> <p>Minutes shall include the discussions, deliberations, recommendations of the members, voting results carried during such meetings and the names of the attendees and any reservations they expressed (if any).</p> <p>Minutes shall be retained in a special and organized register for at least 10 years.</p> <p>Such minutes shall be signed by all of the attending members.</p> <p>Such minutes shall be communicated to the board of directors.</p>	<p style="text-align: center;">Added</p> <p>To provide further elaboration on the preparation of MoMs and to comply with IIA requirements</p>

<p>Committee's Decisions</p>	<p style="text-align: center;">Committee's Decisions</p> <p>12.1 The Audit Committee's decisions shall be determined by the majority of the members' votes. In case of equal votes, the Committee's Chairman shall have the casting vote, provided that the Audit Committee's Secretary shall record the views of all sides in the meeting minutes.</p> <p>12.2 Voting on the Audit Committee's decisions on behalf of, or by proxy from, any other member is not allowed.</p>	<p style="text-align: center;">3.3. Committee's Decisions</p> <p>The Audit Committee's decisions shall be determined by the majority of the members' votes. In case of equal votes, the Committee's Chairman shall have the casting vote.</p> <p>Voting on the Audit Committee's decisions on behalf of, or by proxy from, any other member is not allowed.</p>	<p style="text-align: center;">Deleted</p>
<p>Committee's Meetings Attendance</p>	<p style="text-align: center;">Committee's Meetings Attendance</p> <p>13.1 The Audit Committee is entitled to invite, if the need arises, whomever it deems relevant from inside or outside the Company to attend its meetings.</p>	<p style="text-align: center;">3.4. Committee's meetings attendance</p> <p>The Head of internal audit is required to attend all audit committee meetings.</p> <p>The Audit Committee is entitled to invite, if the need arises, whomever it deems relevant from inside or outside the Company to attend its meetings.</p>	<p style="text-align: center;">Added</p> <p>To highlight the mandatory attendance (as required by IIA) of head of IA in all meeting minutes</p>
		<p style="text-align: center;">3.5. The secretary of the committee</p> <p>The Audit Committee shall appoint a Committee Secretary from the Company's staff to handle its administrative tasks, prepare meeting minutes and ensure that its Chairman signs these minutes, and schedule the Audit Committee's meetings in coordination with its Chairman.</p> <p>The Audit Committee Secretary must document and keep meeting minutes in a special register.</p> <p>The Secretary of the Audit Committee shall not be Secretary of any other board committee.</p>	<p style="text-align: center;">The articles with respect to the Chairman and the Secretary separated into two different articles.</p>

		<p>3.6. Internal audit and compliance departments' connection with the committee</p> <p>The internal audit and compliance departments are functionally linked to the committee and accordingly the committee performs the tasks entrusted to it as mentioned in this charter.</p>	<p>Added</p> <p>To align with SAMA's AC regulation 58</p>
<p>Committee Connection with the External Auditors</p>	<p>Committee Connection with the External Auditors</p> <p>14.1 The relevant issues between the Audit Committee and the external auditors shall include (at minimum):</p> <p>a. Key amendments made by the Company to its accounting policies.</p> <p>b. Material conflicts with the management regarding any issue pertaining to the safeguarding of invested assets.</p> <p>c. Violations of Laws, Regulations and Instructions issued by the supervisory and control entities or non-compliance with the Company's policies and procedures.</p> <p>d. Comments of other auditors (of external, non-Saudi Arabian, branches) on accounting procedures, reports and professional conduct.</p> <p>e. Deficiencies in the general structure and performance of internal control systems.</p> <p>f. Material errors in financial statements.</p> <p>g. Management decisions and the basis on which the external auditors relied to validate critical accounting estimates, such as technical provisions and reserves.</p> <p>h. Accounting principles and standards and disclosure decisions related to extraordinary transactions.</p> <p>i. Adequacy of technical provisions and reserves set by the Actuary.</p>	<p>3.7. Committee connection with the external auditors</p> <p>The relevant issues between the Audit Committee and the external auditors shall include as a minimum:</p> <ul style="list-style-type: none"> - Key amendments made by the Company to its accounting policies. - Material conflicts with the management regarding any issue pertaining to the safeguarding of invested assets. - Violations of Laws, Regulations and Instructions issued by the supervisory and control entities or non-compliance with the Company's policies and procedures. - Deficiencies in the general structure and performance of internal control systems. - Material errors in financial statements - Management decisions and the basis on which the external auditors relied to validate critical accounting estimates, such as technical provisions and reserves. - Accounting principles and standards and disclosure decisions related to extraordinary transactions. - Adequacy of technical provisions and reserves set by the Actuary. - Actuary's Reports relevant to the Financial Statements. - Any major problems in dealing with the management that affected the working of the audit. - Internal control and the assessment of the Company's assets and solvency. - Any other issues that the committee is aware of and falls within its responsibilities. - Any amendments introduced to the audit scope and the reasons thereof 	<p>Deleted</p> <p>No foreign branch, hence not applicable</p>

	<ul style="list-style-type: none"> j. Actuary's Reports relevant to the Financial Statements. k. Any major problems in dealing with the management that affected the working of the audit. l. Internal control and the assessment of the Company's assets and solvency. m. Any other issues that the Committee is aware of and falls within its responsibilities. n. Any amendments introduced to the audit scope and the reasons thereof. o. Reviewing letters to management prepared by the external auditors and the Company's management comments thereon. 	<ul style="list-style-type: none"> - Reviewing letters to management prepared by the external auditors and the Company's management comments thereon - Any other topics that fall within the responsibilities of both parties. 	Added
Committee Members' Remuneration	<p>Committee Members' Remuneration</p> <p>8.1 Every member of the Audit Committee shall be eligible for remuneration for each Committee meeting attended as following:</p> <ul style="list-style-type: none"> - Meeting Allowance equivalent to the Board members' meeting allowances. - Annual Bounce as the Nomination and Remuneration Committee initiates, recommend by the Board of Directors and incorporated in the Board's annual report that is presented to the General Assembly for its approval. <p>8.2 The Secretary of the Audit Committee shall be eligible for remuneration for carrying out his or her functions for each Committee meeting. The amount of such compensation shall be determined by a decision issued by the Board of Directors.</p>	<p>3.8. Committee members' remuneration</p> <p>Every member of the Audit Committee shall be eligible for remuneration for each Committee meeting attended. The amount of such remuneration shall be determined under a policy approved by the Board of Directors and shall be reasonable in comparison with the board members' remuneration.</p> <p>Every member of the Audit Committee shall be eligible for annual bonus as the Nomination and Remuneration Committee initiates, recommended by the Board of Directors and incorporated in the Board's annual report that is presented to the General Assembly for its approval.</p> <p>The Secretary of the Audit Committee shall be eligible for remuneration for carrying out his or her functions for each Committee meeting. The amount of such compensation shall be determined by a decision issued by the Board of Directors.</p>	Amended to align with SAMA's AC regulation 50 48-47

	<p style="text-align: center;">Committee's Tasks</p> <p>9.1 The tasks of the Audit Committee shall include but not be limited to the following:</p> <ol style="list-style-type: none"> a. Recommending to the Board to approve the appointment, reappointment or termination of external auditors. This may include ensuring that the nominated external auditors have the necessary experience in auditing Insurance/Reinsurance companies. b. Appointing or dismissing the Compliance Manager and Internal Audit Manager after obtaining SAMA's written non-objection. c. Ensuring the independence of external auditors from the Company, the Board members and the senior management of the Company. d. Ensuring the independence of the internal audit department or the internal auditor & compliance department in performing their tasks, and ensuring that there are no restrictions on their scope of work or any impediments that might negatively affect their work. e. Discussing the annual and interim quarterly financial statements with the external auditors and the Company's Senior Management before the issuance thereof. f. Reviewing and auditing annual and interim quarterly financial statements and making recommendations thereon for the Board. g. Reviewing the audit plan of the internal and external auditors. h. Reviewing, approving, and monitoring the implementation of the compliance plan. i. Reviewing critical accounting policies and procedures as well as the modifications that might be introduced thereto. j. Coordinating between internal and external auditors. 	<p style="text-align: center;">3.9. Committee's responsibilities and tasks</p> <p>Recommending to the Board to approve the appointment or reappointment of external auditors, dismiss them, determine their remunerations and assess their performance after verifying their independence and reviewing the scope of their work and the terms of their contracts. This may include ensuring that the nominated external auditors have the necessary experience in auditing Insurance Companies. Verifying the independence of the external auditor, its objectivity, fairness and effectiveness of the audit activities, taken into account the relevant rules and standards.</p> <p>Appointing or dismissing the head of the Compliance Department or the compliance officer after obtaining insurance authority's written non-objection.</p> <p>Appointing or dismissing the head of the Internal Audit Department or the Internal Auditor after obtaining insurance authority's written non-objection.</p> <p>Ensuring the independence of external auditors from the Company, the Board members and the senior management of the Company.</p> <p>Ensuring the independence of the internal audit department or the internal auditor in performing their tasks, and ensuring that there are no restrictions on their scope of work or any impediments that might negatively affect their work.</p> <p>Reviewing and approving the internal audit charter at least annually to ensure that it accurately reflects the internal audit activity's purpose, authority and responsibility, consistent with the mandatory guidance of the IIA's International Professional Practices Framework and the scope and nature of assurance and consulting services, as well as</p>	<p>Amended to align with SAMA's AC regulation 49 And CMA'S CG 52 regulation and to comply with IIA requirements</p>
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	<p>k. Reviewing the external auditors', Internal Auditor's & compliance department's reports and making recommendations thereon for the Board.</p> <p>l. Assessing the efficiency, effectiveness and objectivity of work performed by the external auditors, the Internal Audit Department, and the Compliance Department.</p> <p>m. Reviewing the comments of SAMA and other relevant supervisory and control entities related to any regulatory violations or corrective actions requested and making recommendations thereon for the Board.</p> <p>n. Reviewing the internal and external auditors' assessment of internal control procedures.</p> <p>o. Reviewing related parties' transactions and their contracts.</p> <p>p. Reviewing the Actuary reports and making recommendations thereon for the Board.</p> <p>q. Ensuring the Company's compliance with the Actuary's proposals and recommendations, where these are mandatory and required by Regulations or SAMA's instructions.</p> <p>r. Following-up the reports issued by SAMA and other relevant supervisory and control entities and making recommendations thereon for the Board.</p> <p>s. Determining the monthly salary, bonus and other remuneration of the Internal Audit Department & Compliance Department in accordance with the Company's internal by-laws approved by the Board.</p> <p>t. Ensuring the Company has a written code of conduct duly approved by its Board of Directors to ensure that the Company's activities are conducted in a fair and ethical manner.</p> <p>u. Following-up on the important lawsuits filed by or against the company with the compliance department Manager and submit periodic reports to the Board of Directors.</p> <p>v. Ensuring the optimal use and controls of information technology necessary to generate accurate and reliable information and data are in place.</p> <p>w. Investigating any issues raised by the Company's chief financial officer or any person assuming his/her duties or the Company's compliance officer or external auditor.</p>	<p>changes in the financial, risk management and governance processes of the company and reflects developments in the professional practice of internal auditing.</p> <p>Ensuring the independence of the Compliance Department or the Compliance Officer in performing their tasks, and ensuring that are no restrictions on their scope of work or any impediments that might negatively affect their work.</p> <p>Discussing the annual and interim quarterly financial statements with the external auditors and the Company's Senior Management before the issuance thereof.</p> <p>Reviewing and auditing annual and interim quarterly financial statements and making recommendations thereon for the Board.</p> <p>Reviewing the external auditor's report and its comments on the financial statements and following up the procedures taken in connection thereof.</p> <p>Reviewing the audit plan of the external auditors including the proposed audit scope and approach and coordination of audit effort with the internal audit activity and ensuring that the external auditors do not provide any technical, administrative or consulting works that are beyond their scope of work, and provides its opinion thereon.</p> <p>Responding to the queries of the company's external auditor.</p> <p>Reviewing and providing input on the internal audit activity's strategic plan, objectives, performance measures and outcomes.</p> <p>Reviewing and approving the internal audit plan including the resources necessary to achieve this plan.</p> <p>Reviewing the progress achieved against the approved internal audit plan.</p> <p>Reviewing, approving, and monitoring the implementation of the compliance plan.</p>	
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	<p>x. Ensuring the Company's compliance with the relevant laws, regulations, policies and instructions.</p> <p>y. The audit Committee shall develop arrangements that enable the Company's employees to confidentially provide their remarks in respect of any inaccuracies in the financial or other reports. The audit Committee shall ensure that such arrangements have been put into action through an adequate independent investigation in respect of the error or inaccuracy, and shall adopt appropriate follow-up procedures.</p>	<p>Reviewing critical accounting policies and procedures as well as the modifications that might be introduced thereto.</p> <p>Coordinating between internal and external auditors.</p> <p>Reviewing the external auditors' reports and making recommendations thereon for the Board.</p> <p>Reviewing the reports of the Internal Audit Department or the Internal Auditor and submitting the related recommendations to the Board.</p> <p>Reviewing and tracking management's action plans to address the results of internal audit engagements.</p> <p>Reviewing and advising management on the results of any special investigations.</p> <p>Reviewing the reports of the Compliance Department or the Compliance Officer and making recommendations thereon for the Board.</p> <p>Assessing the efficiency, effectiveness and objectivity of work performed by the external auditors, the Internal Audit Department or the Internal Auditor, and the Compliance Department or the Compliance Officer.</p> <p>Providing input to management related to evaluating the performance of the Head of internal audit.</p> <p>Reviewing the comments of insurance authority and other relevant supervisory and control entities related to any regulatory violations or corrective actions requested and making recommendations thereon for the Board.</p> <p>Reviewing the internal and external auditors' assessment of internal control procedures.</p> <p>Obtaining reasonable assurance with respect to the company's procedures for the prevention and detection of fraud through:</p> <ul style="list-style-type: none"> - Overseeing management's arrangements for the prevention and deterrence of fraud. - Ensuring that appropriate action is taken against known perpetrators of fraud. <p>Challenging management and internal and external auditors to ensure that the company has</p>	
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<p>Committee's Tasks</p>		<p>appropriate antifraud programs and controls in place to identify potential fraud and ensure that investigations are undertaken if fraud is detected.</p> <p>Reviewing the adequacy and effectiveness of the company's risk management practices and controls in responding to the risks within the company's governance, operations and information systems through:</p> <ul style="list-style-type: none"> - Annually reviewing the company's risk profile. - Obtaining from the Head of internal audit an annual report on management's implementation and maintenance of an appropriate company's wide risk management process. - Reviewing and providing advice on the risk management processes established and maintained by management and the procedures in place to ensure that they are operating as intended. - Considering the effectiveness of the company's control framework, including information technology security and control. - Reviewing and providing advice on the control of the company as a whole and its individual units. - Providing oversight on significant risk exposures and control issues, including fraud risks, governance issues and other matters needed or requested by senior management and the board. - Receiving reports on all significant matters relating to work performed by other providers of financial and internal control assurance to senior management and the board. - Providing oversight of the adequacy of the combined assurance being provided. 	
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		<p>Reviewing intra-group transactions and related parties transactions.</p> <p>Reviewing the contracts and proposed related party transactions and providing its recommendations to the board in connection therewith.</p> <p>Reviewing the Actuary reports and making recommendations thereon for the Board.</p> <p>Ensuring the Company's compliance with the Actuary's proposals and recommendations, where these are mandatory and required by Regulations or insurance authority's instructions.</p>	
		<p>Following-up the reports issued by insurance and other relevant supervisory and control entities and making recommendations thereon for the Board.</p> <p>Determining the monthly salary, bonus and other remuneration of the Internal Audit Department or the Internal Auditor in accordance with the Company's internal by-laws approved by the Board.</p> <p>Determining the monthly salary, bonus and other remuneration of the Compliance Department or the Compliance Officer in accordance with the Company's internal by-laws approved by the Board.</p> <p>Ensuring that the Company's activities are conducted in a fair and ethical manner through:</p> <ul style="list-style-type: none"> - Reviewing and assessing the policies, procedures and practices established by the company to monitor compliance with its code of conduct and ethics. - Providing oversight of the mechanisms established by management to maintain high ethical standards. - Reviewing and providing advice on the systems and practices established by management to monitor compliance with laws, regulations, policies and standards of ethical conduct and identify and deal with any legal or ethical violations. <p>Following-up on the important lawsuits filed by or against the Company and submitting periodic reports thereon to the Board.</p>	

		<p>Ensuring the optimal use and controls of information technology necessary to generate accurate and reliable information and data are in place</p> <p>Investigating any issues raised by the Company's chief financial officer or any person assuming his/her duties or the Company's compliance officer or external auditor.</p> <p>Ensuring the Company's compliance with the relevant laws, regulations, policies and instructions through:</p> <ul style="list-style-type: none"> - Reviewing the effectiveness of the system for monitoring compliance with laws and regulations and the results of management's investigation and follow-up (including disciplinary action)) of any instances of noncompliance. - Reviewing the observations and conclusions of internal and external auditors and any other regulatory bodies. - Reviewing the process for communicating the code of conduct to the company's personnel and for monitoring compliance. - Obtaining regular updates from management and the company's legal counsel regarding compliance matters. <p>Inquiring of the Head of internal audit about steps taken to ensure that the internal audit activity conforms with the IIA's International Standards for the Professional Practice of Internal Auditing (Standards).</p> <p>Ensuring that the internal audit activity has a quality assurance and improvement program and that the results of these periodic assessments are presented to the audit committee.</p> <p>Ensuring that the internal audit activity has an external quality assurance review every five years.</p> <p>Reviewing the results of the independent external quality assurance reviews and monitoring the</p>	
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		<p>implementation of the internal audit activity's action plans to address any recommendations.</p> <p>Advising the board about any recommendations for the continuous improvement of the internal audit activity.</p> <p>The audit Committee shall develop arrangements that enable the Company's employees to confidentially provide their remarks in respect of any inaccuracies in the financial or other reports.</p> <p>The audit Committee shall ensure that such arrangements have been put into action through an adequate independent investigation in respect of the error or inaccuracy, and shall adopt appropriate follow-up procedures.</p> <p>Reporting to the board any issues in connection with what it deems necessary to take action on, and providing recommendations as to the steps that should be taken.</p>	
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<p style="text-align: center;">Committee's Responsibility</p>	<p style="text-align: center;">Committee's Responsibility</p> <p>10.1 The Audit Committee members are accountable to SAMA, the Company's shareholders and the Board for implementing the provisions of this charter and executing the Audit Committee's action plan issued by a Board's decision.</p> <p>10.2 The Committee members should, while performing their tasks, give priority to the company's interest against any other considerations that might affect their work or decisions.</p> <p>10.3 If a conflict arises between the recommendations of the audit Committee and the Board resolutions, or if the Board refuses to put the Committee's recommendations into action as to appointing or dismissal the company's external auditor or determining its remuneration, assessing its performance or appointing the internal auditor manger or compliance manger, the Board's report shall include the Committee's recommendations and justifications, and the reasons for not following such recommendations.</p> <p>10.4 The Audit Committee's Report: a) The report of the audit shall include details of its performance of its competencies and duties stated in the Companies Law and Its Implementing Regulations, provided that the report contains its recommendations and opinion on the adequacy of the internal and financial control systems and risk management systems in the Company.</p> <p>b) The Board shall make available sufficient copies of the audit Company's head office, in ten days Committees' report at the at least before General Assembly when publishing the invitation to convene the General Assembly, to enable to get a copy thereof. Summary of the report shareholders shall be read at the General Assembly.</p>	<p style="text-align: center;">3.10. Committee's responsibility</p> <p>The Audit Committee members are accountable to insurance authority, the Company's shareholders and the Board for implementing the provisions of audit committee regulation in insurance and/or reinsurance companies issued by insurance authority and executing the Audit Committee's action plan issued by a Board's decision.</p> <p>The committee members should, while performing their tasks, give priority to the company's interest against any other considerations that might affect their work or decisions.</p> <p>If a conflict arises between the recommendations of the audit Committee and the Board resolutions, or if the Board refuses to put the Committee's recommendations into action as to appointing or dismissal of the company's external auditor or determining its remuneration, assessing its performance, or appointing the internal auditor, the Board's report shall include the Committee's recommendations and justifications, and the reasons for not following such recommendations.</p> <p>The Audit Committee's Report:</p> <ul style="list-style-type: none"> - The report of the audit shall include details of its performance of its competencies and duties stated in the Companies Law and Its Implementing Regulations, provided that the report contains its recommendations and opinion on the adequacy of the internal and financial control systems and risk management systems in the Company. <p>The report shall also include, the following:</p> <ul style="list-style-type: none"> - A summary of management's progress in addressing the results of internal and external audit engagement reports. - An overall assessment of risk management, control and compliance processes, including details of any significant emerging risks or legislative changes impacting the company. - Details of meetings, including the number of meetings held during the 	<p>Amended to align with SAMA's AC regulation 50 And CMA'S CG 88 regulation and to comply with IIA requirements</p>
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		<p>relevant period and the number of meetings each member attended.</p> <ul style="list-style-type: none"> - Information required, if any, by new or emerging corporate governance developments. <p>The committee shall also report to the board at any time regarding any other matter it deems of sufficient importance.</p> <p>The Board shall make available sufficient copies of the audit Committee’s report at the Company’s head office, in ten days at least before General Assembly when publishing the invitation to convene the General Assembly, to enable shareholders to get a copy thereof. Summary of the report shall be read at the General Assembly.</p>	
		<p style="text-align: center;">4. Final provisions</p> <p>The requirements contained in this regulation shall be adhered to and everything for which a requirement is not stated in the regulation shall be referred to the provisions in the regulations issued by the relevant authorities.</p> <p>4.1. Review of the charter</p> <p>The charter is reviewed for the purpose of developing and updating it in line with the relevant laws and regulations once every three years on 1/1/2027 if no fundamental amendments or changes occur during that time.</p> <p>No amendment may be made to it except upon the recommendation of the BOD, provided that it is presented to the general assembly for approval.</p>	Added
		<p style="text-align: center;">4.2. Enforcement</p> <p>The provisions of the charter are effective as of the date of their approval by the general assembly.</p>	Added



لائحة لجنة المراجعة

Audit Committee Charter

2023

(Draft)

Document Control

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Change Control

Rev. No.	Revision Date	Revised By	Approved By	Approval Date	Brief Description of Changes
1	7 th June 2023	Audit Committee	General Assembly	XXX	As per Appendix A

المحتويات	الصفحة
مقدمة	3
المبادئ التنظيمية	4
نطاق التطبيق	4
الغرض	4
مسؤولية مجلس الإدارة	4
التزامات مجلس الإدارة	6
حدود السلطة	6
تشكيل اللجنة	6
رئيس لجنة المراجعة	6
تعيين الأعضاء ومدة العضوية	7
قواعد اختيار الأعضاء	8
النصاب	8
المبادئ التشغيلية	9
قيم لجنة المراجعة	9
السرية	9
التواصل	9
خطة عمل لجنة المراجعة	9
جدول أعمال الاجتماع	9
متطلبات المعلومات	9
الجلسات التنفيذية	9
التحضير والحضور	10
تعارض المصالح	10
الإجراءات التشغيلية	11
اجتماعات اللجنة	11
محاضر الاجتماعات	11
قرارات اللجنة	11
حضور اجتماعات اللجنة	12
سكرتير اللجنة	12
ارتباط إدارتي المراجعة الداخلية والإلتزام باللجنة	12
ارتباط اللجنة بالمراجعين الخارجيين	13
مكافأة أعضاء اللجنة	14
مهام ومسؤوليات اللجنة	14-19
مسؤولية اللجنة	20-21
أحكام ختامية	21
مراجعة اللائحة	21
النفاذ	21

1. Introduction

مقدمة

This charter is subject to the companies' law and implementing regulations issued by the ministry of commerce, audit committee regulations issued by insurance authority and CMA. The objective of this charter is to determine the Committee's scope of work, purpose, authority, tasks and responsibility, committee members' remuneration and other related information.

Authority: Insurance authority

Senior Management: the Managing Director and Chief Executive Officer, his deputies, Chief Financial Officer, Managers of key departments and Heads of Risk Management, Internal Audit and Compliance Departments.

Audit Committee (The Committee): is an independent Committee that reports directly to the Company's Board. The Committee's mandate includes monitoring the performance and implementation of the internal control systems of the Company, ensuring the effectiveness and efficiency of those systems, verifying the implementation of internal control decisions and actions and ensuring compliance with the Supervision of Cooperative Insurance Companies Control Law and its Implementing Regulations, other applicable Laws, Regulations and instructions.

Compliance Department: an independent department that reports to the Audit Committee and administratively to the Chief Executive Officer (CEO). Its mandate is to ensure the Company's compliance with the laws and Regulatory Bodies. The department submits, to the audit Committee, reports on the company's violations of the Laws, Regulations and Instructions.

Internal Audit Department: an independent department that reports to the Audit Committee and administratively to the CEO. Its mandate is to set the audit action plan for the Company, to monitor the company's performance through evaluating and verifying the operations to ensure that there are no financial or non-financial violations of the Company's bylaws, to ensure the compliance with the internal control systems, to ensure effectiveness and efficiency of those systems and to verify the implementation of internal audit decisions. The department submits its reports to the Audit Committee.

تخضع هذه اللائحة إلى نظام الشركات واللائحة التنفيذية الصادرة من وزارة التجارة، ولائحة لجان المراجعة الصادرة من قبل هيئة التأمين وهيئة السوق المالية، وتهدف هذه اللائحة إلى تحديد نطاق التطبيق والغرض وحدود السلطة والمهام والمسئوليات والمكافآت لأعضاء اللجنة والمعلومات الأخرى ذات الصلة باللجنة.

الهيئة: هيئة التأمين.

الإدارة العليا: العضو المنتدب والرئيس التنفيذي ونوابه والمدير المالي ومديرو الإدارات الرئيسية ورؤساء إدارات المخاطر والمراجعة الداخلية والالتزام.

لجنة المراجعة (اللجنة): هي لجنة مستقلة ترتبط مباشرةً بمجلس إدارة الشركة وتختص بمراقبة أداء وتطبيق أنظمة الرقابة الداخلية في الشركة والتأكد من كفاءة وفعالية الأنظمة والتحقق من تنفيذ القرارات المتعلقة بالرقابة الداخلية وضمان الالتزام بتطبيق نظام مراقبة شركات التأمين التعاوني ولائحته التنفيذية والأنظمة واللوائح والتعليمات الأخرى ذات العلاقة.

إدارة الالتزام: إدارة مستقلة ترتبط بلجنة المراجعة وإدارياً بالرئيس التنفيذي وتختص بالتأكد من التزام الشركة بتطبيق الأنظمة واللوائح والتعليمات الصادرة من الجهات الرقابية. وترفع تقاريرها إلى لجنة المراجعة عن أي مخالفة للأنظمة والتعليمات في الشركة.

إدارة المراجعة الداخلية: إدارة مستقلة ترتبط بلجنة المراجعة وإدارياً بالرئيس التنفيذي. وتختص بوضع خطة أعمال المراجعة والتدقيق في الشركة ومراقبة أداء الشركة من خلال تدقيق وفحص عمليات الشركة للتحقق من عدم وجود أي تجاوزات مالية وغير مالية للأنظمة الداخلية للشركة والتأكد من الالتزام بأنظمة الرقابة الداخلية والتأكد من كفاءة وفعالية تلك الأنظمة والتحقق من تنفيذ قرارات الرقابة الداخلية وترفع تقاريرها إلى لجنة المراجعة.

1. Organizational Principles

المبادئ التنظيمية

1.1. Scope

This charter applies to the Audit Committee at Malath Cooperative Insurance Company.

The Company's General Assembly shall, upon a recommendation of the Board, issue the charter for the audit Committee.

نطاق التطبيق

تطبق هذه اللائحة على لجنة المراجعة في شركة ملاذ للتأمين التعاوني.

تصدر اللائحة بقرار من الجمعية العامة العادية بناء على اقتراح من مجلس الإدارة.

1.2. Purpose

The purpose of the audit committee is to provide a structured, systematic oversight of the company's governance, risk management and internal control practices. The committee assists the board and management by providing advice and guidance on the adequacy of the company's initiatives for:

- Values and ethics.
- Governance structure.
- Risk management.
- Internal control framework.
- Oversight of the internal audit activity, external auditors and other providers of assurance.
- Financial statements and reporting.

In broad terms, the audit committee reviews each of the items noted above and provides the board with independent advice and guidance regarding the adequacy and effectiveness of management's practices and potential improvements to those practices.

الغرض

إن الغرض من لجنة المراجعة هو توفير اشراف منظم ومنهجي على حوكمة الشركة وإدارة المخاطر وممارسات الرقابة الداخلية. تساعد اللجنة المجلس والإدارة من خلال تقديم المشورة والتوجيه بشأن مدى كفاية مبادرات الشركة لمائلي:

- القيم والأخلاق.
- هيكل الحوكمة.
- إدارة المخاطر.
- اطار الرقابة الداخلية.
- الإشراف على نشاط المراجعة الداخلية والمراجعين الخارجيين ومقدمي الضمان الآخرين.
- القوائم المالية وإعداد التقارير.

بشكل عام، تعمل لجنة المراجعة على مراجعة كل من البنود المذكورة أعلاه وتزويد المجلس بمشورة وتوجيهات مستقلة فيما يتعلق بمدى كفاية وفعالية ممارسات الإدارة والتحسينات المحتملة لتلك الممارسات.

1.3. BOD responsibility

The BOD is fully responsible for the audit committee's businesses in pursuance of the regulations and instructions under which the company operates.

The BOD is responsible for ensuring the efficiency and effectiveness of the controls and financial reports and for safeguarding the assets of the company.

مسؤولية مجلس الإدارة

يتولى مجلس الإدارة مسؤولية أعمال لجنة المراجعة بموجب الأنظمة والتعليمات التي تعمل الشركة في ظلها.

يتولى مجلس الإدارة مسؤولية التأكد من كفاءة وفعالية الأنظمة والتقارير المالية والمحافظة على موجودات الشركة.

1.4. BOD commitments

التزامات مجلس الإدارة

Taken into consideration that the audit committee formed by the BOD and delegated to carry out specific actions, the BOD's obligations shall include, but not be limited to, the following:

- The BOD and senior management of the company shall provide all that is required from them in order to facilitate the work of the audit committee, internal audit department and compliance control department.
- The BOD shall ensure that the company has in place an appropriate organizational structure, internal policies and regulations that must be periodically reviewed and the system and methodology for reporting within the company on the different issues that fall within the remit of the audit committee.
- The BOD shall formulate the responsibilities and functions of the audit committee and incorporate them in the minutes of a board meeting, including the authority to investigate any activity within its terms of reference and have access to any information it may need.
- The BOD shall select the audit committee members in accordance with selecting procedures of the audit committee's members, manner in which the audit committee monitors its activities and the duration of the audit committee issued by the general assembly upon a recommendation of the board. In addition, the BOD shall fix their duration terms, schedule their rotations and ensure their meetings are held on a sufficient periodic basis.
- The BOD shall follow up the audit committee's work, ensure that it performs its assigned responsibilities and duties and discuss relevant issues with it, including reports prepared by the audit committee. The BOD shall also ensure that the audit committee follow up with the local and international developments in accounting standards.
- The BOD shall ensure that the audit committee plays an oversight role and does not exercise in executive functions or make administrative decisions.

نظرًا لأن مجلس الإدارة يشكل لجنة المراجعة ويفوضها للقيام بأعمال محددة فإن التزامات مجلس الإدارة تشمل مايلي دون حصر:

- على مجلس الإدارة والإدارة العليا في الشركة تقديم كل ما يُطلب منهما لتسهيل عمل لجنة المراجعة وإدارة المراجعة الداخلية وإدارة الالتزام.
- على مجلس الإدارة ضمان أن لدى الشركة الهيكل التنظيمي واللوائح والأنظمة الداخلية المناسبة مع ضرورة مراجعتها دوريًا، وأن يكون لديها نظام ومنهجية لرفع التقارير داخل الشركة حول الجوانب المختلفة التي تدخل ضمن نطاق اختصاص لجنة المراجعة.
- على مجلس الإدارة صياغة مسؤوليات وصلاحيات لجنة المراجعة وإبائها في محاضر مجلس الإدارة على أن تشمل تلك الصلاحيات القدرة على التقصي عن أي نشاط داخل الشركة ضمن مسؤولياتها والوصول إلى أية معلومات تحتاجها.
- على مجلس الإدارة اختيار أعضاء لجنة المراجعة وفقًا لقواعد اختيار أعضاء لجنة المراجعة وأسلوب عمل اللجنة ومدة عضويتها التي تصدر عن الجمعية العامة للشركة بناءً على توصيات المجلس. كما يجب على مجلس الإدارة تحديد فترتهم وتعاقبهم وضمان انعقاد اجتماعاتهم على نحو دوري وكاف.
- على مجلس الإدارة متابعة عمل لجنة المراجعة والتحقق من التزامها بمسؤولياتها وواجباتها المنوطة بها ومناقشتها بالأمور ذات العلاقة بما فيها التوصيات الصادرة عن هذه اللجنة. كما يجب على مجلس الإدارة التأكيد على لجنة المراجعة بمتابعة التطورات الدولية والمحلية من معايير محاسبية وبما يتوافق مع أنظمة وتعليمات هيئة التأمين.
- على مجلس الإدارة ضمان أداء لجنة المراجعة للدور الإشرافي والرقابي وعدم ممارستها لوظائف أو أعمال تنفيذية أو اتخاذ قرارات إدارية.

1.5. Authority

In discharging its responsibilities, the audit committee is entitled to have unrestricted access to the Board of Directors, senior management of the Company, all employees, Committees, and legal advisors, internal and external auditors in the Company's Head Office and/or branches and other parties related to the Company. If access to requested documents is denied due to legal or confidentiality reasons, the audit committee and/or Head of internal audit will follow a prescribed, board approved mechanism for resolution of the matter. The Audit Committee also has the right to seek the assistance of any external consultant to do specific tasks in order to assist it in performing its work.

The audit committee also has the right to request any clarification or statement from the board members or the executive management and to request that the board calls for a general assembly meeting if its activities have been impeded by the board or if the company has suffered significant losses and damages.

1.6. Committee formation

The Audit Committee shall be formed in accordance with Audit Committee's Selecting Procedures, the duration of its term and the monitors of its activities that issued by the General Assembly upon a recommendation of the Board.

1.7. The Chair of the Audit Committee

The Board of Directors shall, after obtaining insurance authority's written no-objection, shall appoint one of the Audit Committee's members as a Chairman thereof.

The Chairman of the Board shall not be a member or Chairman of the Audit Committee.

The Chairman of the Audit Committee shall not be related to the other members of the Board or have any financial or business relationship with any members of the Board.

The Chairman of the Audit Committee of the Board shall not have a relationship with Senior Management of the company that could affect his independence.

حدود السلطة

عند الاضطلاع بمسؤولياتها، يحق للجنة المراجعة الوصول الغير المقيد إلى مجلس الإدارة والإدارة العليا بالشركة والموظفين كافة واللجان والمستشارين القانونيين والمراجعين الداخليين والخارجيين في المكتب الرئيسي للشركة و/أو الفروع وكذلك الأطراف الأخرى ذات العلاقة بالشركة. كما أن لها الاطلاع على جميع السجلات والمستندات الخاصة والسرية اللازمة لأداء أعمالها. أما إذا تم رفض الوصول إلى المستندات المطلوبة لأسباب قانونية أو تتعلق بالسرية، فإن لجنة المراجعة و/أو مدير إدارة المراجعة الداخلية ستتبع آلية محددة ومعتمدة من مجلس الإدارة لحل هذه المسألة. وللجنة المراجعة كذلك الاستعانة بأي جهة استشارية من خارج الشركة للقيام بمهام محددة من أجل مساعدتها في أداء عملها.

كما يحق للجنة المراجعة أن تطلب أي إيضاح أو بيان من أعضاء مجلس الإدارة أو الإدارة التنفيذية وأن تطلب من مجلس الإدارة دعوة الجمعية العامة للشركة للانعقاد إذا أعاق مجلس الإدارة عملها أو تعرضت الشركة لأضرار أو خسائر جسيمة.

تشكيل اللجنة

تشكل لجنة المراجعة وفق قواعد اختيار أعضاء لجنة المراجعة ومدة عضويتهم وأسلوب عمل لجنة المراجعة التي تصدرها الجمعية العامة للشركة بناء على توصية المجلس.

رئيس لجنة المراجعة

يعين مجلس الإدارة أحد أعضاء لجنة المراجعة رئيساً لها بعد الحصول على عدم ممانعة الهيئة كتابية.

لا يجوز أن يكون رئيس مجلس الإدارة عضواً في لجنة المراجعة أو رئيساً لها.

لا يجوز أن يكون لرئيس لجنة المراجعة صلة قرابة أو علاقة مالية أو تجارية مع أي عضو من أعضاء مجلس الإدارة.

لا يجوز أن يكون لرئيس لجنة المراجعة علاقة مع الإدارة العليا بالشركة تؤثر على استقلاليتها.

1.8. Member appointment and term

The BOD appoints the chairman and members of the audit committee from non-executive board members either from the shareholders or otherwise, after obtaining insurance authority's written non-objection, for a period determined by the board's term.

The Board may renew the term of the Audit Committee or a member thereof for a one time only.

Formation & appointment of new members by a decision of the General Assembly in the event of election of the new board after obtaining no objection letter from insurance authority.

An Audit Committee member has the right to resign, after providing the resignation request to the Board one month before its resignation becomes effective. The Company shall notify insurance authority in writing of the resignation of a member of the Audit Committee and the reasons thereof and provide insurance authority with a copy of the resignation request within five (5) working days from the date of the resignation.

The membership of an Audit Committee member shall terminate automatically upon the occurrence of any change that would breach the membership's terms set forth in the audit committee regulation issued by insurance authority or any other Regulations, Instructions or Decisions issued by the authority. The Audit Committee member shall immediately inform the Company in writing upon the occurrence of such a change and he/she shall not attend any meeting of the Audit Committee held after the date of the change.

The BOD, after obtaining insurance authority's written non-objection, may dismiss an audit committee member if he or she ceases to satisfy membership terms or violates the provisions of the audit committee regulation issued by insurance authority, the supervision of cooperative insurance companies control law and its implementing regulation or any relevant regulations and instructions.

If there is a vacant seat in the audit committee during the membership term, the board, after obtaining insurance authority's written non-objection, shall appoint another member within a month of the vacancy date to fill the vacant position. The new member shall complete his or her predecessor's term.

تعيين الأعضاء ومدة العضوية

يعين مجلس الإدارة رئيس وأعضاء لجنة المراجعة، من غير أعضاء مجلس الإدارة التنفيذيين سواء من المساهمين أو من غيرهم بعد الحصول على عدم ممانعة هيئة التأمين وتحدد المدة بحسب دورة المجلس.

لمجلس الإدارة التجديد للجنة المراجعة أو أحد أعضائها لمرة واحدة فقط.

للجمعية العامة العادية تشكيل وتعيين أعضاء جدد للجنة المراجعة في حال انتخاب مجلس إدارة جديد بعد الحصول على عدم ممانعة هيئة التأمين كتابياً.

يحق لعضو لجنة المراجعة الاستقالة شريطة أن يقدم طلب استقالته مسبقاً لمجلس الإدارة قبل شهر من تاريخ نفاذ استقالته، وعلى الشركة إشعار هيئة التأمين كتابياً باستقالة عضو لجنة المراجعة وأسباب استقالته وتزويد هيئة التأمين بصورة من طلب الاستقالة خلال خمسة (5) أيام عمل من تاريخ الاستقالة.

تنتهي عضوية عضو لجنة المراجعة مباشرة إذا حدث أي تغيير من شأنه الإخلال بشروط العضوية الواردة في لائحة لجان المراجعة الصادرة عن هيئة التأمين أو أي لوائح أو تعليمات أو قرارات أخرى تصدرها الهيئة. وعلى عضو لجنة المراجعة إبلاغ الشركة كتابياً فور حدوث هذا التغيير ولا يجوز لعضو لجنة المراجعة حضور أي اجتماع للجنة بعقد بعد تاريخ حدوث التغيير.

لمجلس الإدارة ، بعد الحصول على عدم ممانعة هيئة التأمين ، الحق بعزل أي من أعضاء لجنة المراجعة في حال فقدانه شروط العضوية أو ارتكابه مخالفة لأحكام لائحة لجان المراجعة الصادرة عن هيئة التأمين أو أحكام نظام مراقبة شركات التأمين التعاوني أو لائحته التنفيذية أو أحكام اللوائح والتعليمات الأخرى ذات العلاقة.

إذا شغل مركز أحد أعضاء لجنة المراجعة أثناء مدة العضوية، يعين مجلس الإدارة خلال مدة أقصاها شهر من شغور هذا المنصب بعد الحصول على عدم ممانعة هيئة التأمين كتابياً عضواً آخر في المركز الشاغر، ويكمل العضو الجديد مدة سلفه.

1.9. Membership organization

The Audit Committee shall consist of at least three members and at most five members, the majority of which shall be from outside the Board.

The Audit Committee members shall not include the Company's executives, employees, or consultants.

The Audit Committee members shall not include board members, executives, employees, consultants, representatives of any parties connected to the Company, including but not limited to:

- Major shareholders and founders.
- External auditors
- Supplier
- The Company's customers.
- The legal persons who have first-degree relationships with the Company's Board of Directors or executives or have any financial or business relationship therewith.

An Audit Committee member shall not be a member of a Board or an Audit Committee of any other company operating in the insurance sector in the Kingdom of Saudi Arabia.

The Audit Committee member shall not be one of the executive members of the Board.

The Audit Committee member nominated for membership shall be independent.

No Audit Committee Member shall simultaneously serve on the audit committees of more than four public companies.

The Board shall ensure that the members of the Audit Committee are appropriately qualified to discharge their responsibilities. At least two Audit Committee members, including the AC Chairman, have recent and relevant accounting or financial management expertise or experience.

Any person who works or has worked in the Company's finance Department, the Executive Management or for the Company's external auditor during the preceding two years may not be a member of the audit Committee.

1.10. Quorum

The quorum for the audit committee shall be a majority.

قواعد اختيار الأعضاء

تتكون لجنة المراجعة من ثلاثة أعضاء على الأقل وخمسة أعضاء كحد أقصى على أن يكون أغلبهم من خارج مجلس الإدارة.

يجب ألا يكون عضو لجنة المراجعة من المديرين التنفيذيين في الشركة أو موظفيها أو مستشاريها.

يجب ألا يكون عضو اللجنة أحد أعضاء مجالس إدارة أو مديري أو موظفي أو مستشاري أو منسوبي أو ممثلي أحد الأطراف ذوي العلاقة بالشركة ومنهم على سبيل المثال لا الحصر الآتي:

أ. كبار المساهمين أو المؤسسين.

ب. المراجعون الخارجيون.

ت. الموردون.

ث. عملاء الشركة.

ج. الأشخاص الاعتباريون الذين تربطهم علاقة مالية أو تجارية أو قرابة من الدرجة الأولى بمجلس إدارة الشركة أو الموظفين التنفيذيين في الشركة.

يجب ألا يكون عضو لجنة المراجعة عضواً في مجلس إدارة أو لجنة مراجعة أي شركة أخرى تعمل في قطاع التأمين في المملكة العربية السعودية.

يجب ألا يكون عضو لجنة المراجعة أحد الأعضاء التنفيذيين في مجلس الإدارة.

يجب أن يكون عضو مجلس الإدارة المرشح لعضوية اللجنة مستقلاً.

لا يجوز لأي عضو من أعضاء لجنة المراجعة أن يخدم بشكل تزامني في لجان مراجعة لأكثر من أربع شركات عامة.

يجب أن يضمن مجلس الإدارة أن أعضاء لجنة المراجعة مؤهلون للوفاء بمسؤولياتهم. ويجب أن يمتلك عضوان على الأقل من أعضاء اللجنة، بمن فيهما رئيس اللجنة، خبرات حديثة ومختصة بالشؤون المالية والمحاسبية.

لا يجوز لمن يعمل أو كان يعمل خلال السنتين الماضيتين في الإدارة التنفيذية أو المالية للشركة، أو لدى مراجع حسابات الشركة، أن يكون عضواً في لجنة المراجعة.

النصاب

يكون النصاب للجنة المراجعة بالأغلبية.

2. Operational Principles

المبادئ التشغيلية

2.1. Audit Committee Values

قيم لجنة المراجعة

The audit committee shall conduct itself in accordance with the company's policy for professional conduct and ethical values. The audit committee expects that management and staff of the company will adhere to this policy.

تتصرف لجنة المراجعة وفقاً لسياسة السلوك المهني والقيم الأخلاقية بالشركة وتتوقع اللجنة أن تلتزم إدارة الشركة وموظفيها بهذه السياسة.

2.2. Confidentiality

السرية

All Audit Committee's members shall maintain the confidentiality of all the topics related to the Audit Committee's activities, even after vacating the Audit Committee membership.

يجب على جميع أعضاء لجنة المراجعة المحافظة على سرية المواضيع المتعلقة بأعمال لجنة المراجعة، حتى بعد تركهم العمل في اللجنة.

2.3. Communication

التواصل

The audit committee expects that all communication with management and staff of the company as well as with any external assurance providers will be direct, open and complete.

تتوقع لجنة المراجعة أن يكون التواصل مع إدارة الشركة وموظفيها وكذلك مع أي من مقدمي خدمات الضمان الخارجيين مباشر ومفتوح وكامل.

2.4. Audit committee action plan

خطة عمل لجنة المراجعة

The Audit Committee shall develop its charter that shall be approved by the Board's decision. This charter shall include the Audit Committees' rules, responsibilities and obligations. In addition, the Audit Committee shall develop a detailed annual action plan that includes the key topics to be discussed during the year and meeting dates.

على لجنة المراجعة وضع دليل عمل لها معتمد بقرار من مجلس الإدارة يتضمن قواعد ومسؤوليات والتزامات لجنة المراجعة. كما يجب على لجنة المراجعة وضع خطة عمل سنوية مفصلة تتضمن المواضيع الرئيسية التي ستقوم ببحثها خلال السنة ومواعيد اجتماعاتها.

2.5. Meeting Agenda

جدول أعمال الاجتماع

The chair shall establish agendas for audit committee meetings in consultation with audit committee members, senior management and the Head of internal audit.

يضع الرئيس جداول أعمال اجتماعات لجنة المراجعة بالتشاور مع أعضاء لجنة المراجعة والإدارة العليا ومدير إدارة المراجعة الداخلية.

2.6. Information requirements

متطلبات المعلومات

The audit committee shall establish and communicate its requirements for information, which shall include the nature, extent and timing of information. Information shall be provided to the audit committee at least one week prior to each audit committee meeting.

على لجنة المراجعة وضع وتحديد متطلباتها من المعلومات والتي يجب أن تشمل طبيعة ومدى وتوقيت هذه المعلومات. يجب تقديم المعلومات إلى لجنة المراجعة قبل اسبوع على الأقل من كل اجتماع.

2.7. Executive sessions

الجلسات التنفيذية

The audit committee, when it deems appropriate, shall schedule, and hold if necessary, a private session with the chief executive officer (CEO), the chief financial officer (CFO), the Head of internal audit, external assurance providers and any other officials.

على لجنة المراجعة عندما ترى ذلك مناسباً، جدولة جلسة خاصة، وعقدتها إذا لزم الأمر، مع الرئيس التنفيذي والمدير المالي ومدير إدارة المراجعة الداخلية ومقدمي الضمان الخارجيين ومع أي مسؤولين آخرين.

2.8. Preparation and attendance

التحضير والحضور

An Audit Committee member shall be deemed resigned if he or she fails to attend any meetings of the Audit Committee for more than three consecutive times without presenting an excuse acceptable to the Board.

يعد العضو مستقيلاً من عضوية لجنة المراجعة إذا تخلف دون عذر يقبله مجلس الإدارة عن حضور اجتماعات لجنة المراجعة لأكثر من ثلاث جلسات متتالية.

2.9. Conflict(s) of interest

تعارض المصالح

An Audit Committee's member shall not have any direct or indirect interest in the Company's business and contracts concluded by it.

لا يجوز أن يكون لعضو لجنة المراجعة مصلحة مباشرة أو غير مباشرة في الأعمال والعقود التي تتم لحساب الشركة.

An Audit Committee's member shall not take part in any business that might compete with the Company or trade in the activities performed by the Company. The Company has the right to claim indemnification for any losses caused by such business or act.

لا يجوز لعضو لجنة المراجعة المشاركة في أي عمل من شأنه منافسة الشركة أو المتاجرة في الأنشطة التي تزاولها الشركة. وللشركة أن تطالبه بالتعويض عن أي ضرر لحقها نتيجة لهذا العمل أو التصرف.

It is the responsibility of audit committee members to disclose any conflict of interest or appearance of a conflict of interest to the committee. If there is any question as to whether audit committee member(s) should recuse themselves from a vote, the committee should vote to determine whether the member should recuse himself or herself.

تقع على عاتق أعضاء لجنة المراجعة مسؤولية الإفصاح للجنة عن أي تعارض أو احتمال تعارض في المصالح. إذا كان هناك أي تساؤل حول ما إذا كان يجب على عضو (أعضاء) لجنة المراجعة التنحي عن التصويت، يجب على اللجنة التصويت لتحديد ذلك.

The company shall not issue or renew any insurance policy for any of the audit committee's members or parties related thereto before the full payment of the due premium. If any of the audit committee's members submits a request for the payment of a claim under a policy issued to him or her by the company, the claim should be treated in accordance with procedures and rules set forth by the company without any exception or preference. The compliance officer should be notified of any payment due to the member.

يجب على الشركة عدم إصدار أو تجديد أي وثيقة تأمين لأي من أعضاء لجنة المراجعة أو الأطراف ذوي العلاقة بهم قبل دفع القسط المستحق بالكامل. وإذا تقدم أي من أعضاء لجنة المراجعة للمطالبة بدفع تعويض لوثيقة تأمين صادرة لعن الشركة، فيجب التعامل مع المطالبة وفقاً للإجراءات الواردة في اللائحة المطبقة على مطالبات العملاء وبودن معاملة تفضيلية، مع إشعار المراقب النظامي بأي تعويض مستحق للعضو.

3. Operational Procedures

الإجراءات التشغيلية

3.1. Committee's meetings

اجتماعات اللجنة

The Audit Committee meetings shall not be held without the presence of the majority of its members.

لا ينعقد اجتماع لجنة المراجعة إلا بحضور أغلبية أعضائها على الأقل.

The Audit Committee shall meet at least six times a year, including an annual meeting with the Board of Directors. The Audit Committee is entitled, if the need arises, to hold other meetings in response to any of the following cases including but not limited to:

تعقد لجنة المراجعة ستة اجتماعات في السنة على الأقل، بما فيها الاجتماع السنوي مع مجلس الإدارة. ويمكن للجنة المراجعة – متى مادعت الحاجة – عقد اجتماعات أخرى استجابةً لأي من الآتي على سبيل المثال لا الحصر:

- Upon the request of the Chairman of the Board.
- Cases in which the External Auditor, Internal Auditor, Compliance Officer or Actuary requests committee meeting due to reason that requires so.
- Meetings on other issues such as:
 - Financial and audit issues
 - Compliance issues
 - Conflicts of interest
 - Professional and ethical codes of conduct

- طلب من رئيس مجلس الإدارة.
- الحالات التي يطلب فيها المراجع الخارجي أو الداخلي أو مسؤول الإلتزام أو الخبير الاكتواري عقد اجتماع اللجنة لوجود حاجة تستدعي ذلك.
- اجتماعات بشأن مسائل أخرى مثل:
 - المسائل المالية ومسائل المراجعة.
 - المسائل النظامية.
 - تعارض المصالح.
 - قواعد السلوك المهني والأخلاقي.

3.2. Minutes of meetings

محاضر الاجتماعات

Audit committee meetings minutes shall be prepared and provided in draft format at least (5) working days after the meeting.

يجب إعداد محاضر اجتماعات لجنة المراجعة وتقديمها بصيغة مسودة بعد خمسة أيام على الأقل من الاجتماع.

Minutes shall include the discussions, deliberations, recommendations of the members, voting results carried during such meetings and the names of the attendees and any reservations they expressed (if any).

يجب أن تشمل المحاضر على المناقشات والمداولات وتوصيات الأعضاء ونتائج التصويت التي أجريت خلال هذه الاجتماعات وأسماء الحاضرين وأي تحفظات أبدوها (إن وجدت).

Minutes shall be retained in a special and organized register for at least 10 years.

يجب الاحتفاظ بمحاضر الاجتماعات في سجل خاص ومنظم لمدة عشر سنوات على الأقل.

Such minutes shall be signed by all of the attending members.

يجب توقيع هذه المحاضر من قبل جميع الأعضاء الحاضرين.

Such minutes shall be communicated to the board of directors.

يجب ارسال هذه المحاضر إلى مجلس الإدارة.

3.3. Committee's Decisions

قرارات اللجنة

The Audit Committee's decisions shall be determined by the majority of the members' votes. In case of equal votes, the Committee's Chairman shall have the casting vote.

تصدر قرارات لجنة المراجعة بالأغلبية وفي حال تساوي عدد الأصوات يعد صوت رئيس اللجنة مرجحاً.

Voting on the Audit Committee's decisions on behalf of, or by proxy from, any other member is not allowed.

لا يجوز التصويت على قرارات لجنة المراجعة بالنيابة أو الوكالة عن أحد الأعضاء.

3.4. Committee's meetings attendance

The Head of internal audit is required to attend all audit committee meetings.

The Audit Committee is entitled to invite, if the need arises, whomever it deems relevant from inside or outside the Company to attend its meetings.

حضور اجتماعات اللجنة

يجب على مدير إدارة المراجعة الداخلية حضور جميع اجتماعات لجنة المراجعة.

للجنة المراجعة دعوة من تراه من داخل الشركة أو خارجها لحضور اجتماعاتها إذا دعت الحاجة إلى ذلك.

3.5. The secretary of the committee

The Audit Committee shall appoint a Committee Secretary from the Company's staff to handle its administrative tasks, prepare meeting minutes and ensure that its Chairman signs these minutes, and schedule the Audit Committee's meetings in coordination with its Chairman.

The Audit Committee Secretary must document and keep meeting minutes in a special register.

The Secretary of the Audit Committee shall not be a Secretary of any other board committee.

سكرتير اللجنة

تعين لجنة المراجعة سكرتيراً لها من موظفي الشركة يتولى أعمالها الإدارية وإعداد محاضر اجتماعاتها والتأكد من توقيع رئيس اللجنة وأعضائها على هذه المحاضر، وجدولة مواعيد اجتماعات لجنة المراجعة بالتنسيق مع رئيسها.

يجب على سكرتير لجنة المراجعة توثيق وحفظ محاضر اجتماعات لجنة المراجعة في سجل خاص بذلك.

لا يجوز أن يكون سكرتير لجنة المراجعة سكرتيراً لأي لجنة أخرى من لجان مجلس الإدارة.

3.6. Internal audit and compliance departments' connection with the committee

The internal audit and compliance departments are functionally linked to the committee and accordingly the committee performs the tasks entrusted to it as mentioned in this charter.

ارتباط إدارتي المراجعة الداخلية والالتزام باللجنة

ترتبط إدارتي المراجعة الداخلية والالتزام وظيفياً باللجنة وبناء عليه تقوم اللجنة بالمهام المنوطة بها والمذكورة في هذه اللائحة.

3.7. Committee connection with the external auditors

ارتباط اللجنة بالمراجعين الخارجيين

The relevant issues between the Audit Committee and the external auditors shall include as a minimum:

- Key amendments made by the Company to its accounting policies.
- Material conflicts with the management regarding any issue pertaining to the safeguarding of invested assets.
- Violations of Laws, Regulations and Instructions issued by the supervisory and control entities or non-compliance with the Company's policies and procedures.
- Deficiencies in the general structure and performance of internal control systems.
- Material errors in financial statements
- Management decisions and the basis on which the external auditors relied to validate critical accounting estimates, such as technical provisions and reserves.
- Accounting principles and standards and disclosure decisions related to extraordinary transactions.
- Adequacy of technical provisions and reserves set by the Actuary.
- Actuary's Reports relevant to the Financial Statements.
- Any major problems in dealing with the management that affected the working of the audit.
- Internal control and the assessment of the Company's assets and solvency.
- Any other issues that the committee is aware of and falls within its responsibilities.
- Any amendments introduced to the audit scope and the reasons thereof
- Reviewing letters to management prepared by the external auditors and the Company's management comments thereon
- Any other topics that fall within the responsibilities of both parties.

تشمل المواضيع ذات العلاقة بين لجنة المراجعة والمراجعين الخارجيين بحد أدنى التالي:

- التعديلات الرئيسية التي تجريها الشركة على سياساتها المحاسبية.
- الخلافات الجوهرية مع الإدارة بشأن أي مسألة تتعلق بحماية الموجودات المستثمرة.
- مخالفات الأنظمة واللوائح والتعليمات الصادرة عن الجهات الإشرافية والرقابية أو عدم الالتزام بسياسات وإجراءات الشركة.
- جوانب القصور في الهيكل العام لأنظمة الرقابة الداخلية وعملها.
- الأخطاء الجوهرية في البيانات المالية.
- قرارات الإدارة والأسس التي اعتمد عليها المراجعون الخارجيون بشأن عدالة التقديرات المحاسبية الحساسة مثل المخصصات والاحتياطيات الفنية.
- مبادئ ومعايير المحاسبة وقرارات الإفصاح المتعلقة بالمعاملات غير العادية.
- كفاية المخصصات والاحتياطيات الفنية المعتمدة من الخبير الاكتواري.
- تقارير الخبير الاكتواري ذات العلاقة بالقوائم المالية.
- أي مشاكل رئيسية في التعامل مع الإدارة تكون قد أثرت على أعمال المراجعة.
- الرقابة الداخلية وتقييم الموجودات والملاءة المالية للشركة.
- أي مسائل أخرى تطلع عليها لجنة المراجعة وتقع ضمن مسؤوليتها.
- أي تعديلات على نطاق أعمال المراجعة وأسبابها.
- مراجعة خطاب الإدارة المعد من قبل المراجعين الخارجيين ومرئيات إدارة الشركة حوله.
- أي موضوعات أخرى تدرج ضمن مسؤوليات الطرفين.

3.8. Committee members' remuneration

Every member of the Audit Committee shall be eligible for remuneration for each Committee meeting attended. The amount of such remuneration shall be determined under a policy approved by the Board of Directors and shall be reasonable in comparison with the board members' remuneration.

Every member of the Audit Committee shall be eligible for annual bonus as the Nomination and Remuneration Committee initiates, recommended by the Board of Directors and incorporated in the Board's annual report that is presented to the General Assembly for its approval.

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

مكافأة أعضاء اللجنة

يستحق عضو لجنة المراجعة مكافأة حضور عن كل جلسة من جلساتها . يتم تحديد مبلغ هذه المكافأة بموجب سياسة يوافق عليها مجلس الإدارة وتكون معقولة بالمقارنة مع مكافآت أعضاء مجلس الإدارة.

يستحق عضو لجنة المراجعة مكافأة سنوية تتم حسب تقدير لجنة الترشيحات والمكافآت والتوصية بها من قبل مجلس الإدارة، على أن يتم تضمينها في تقرير مجلس الإدارة السنوي والذي يتم عرضه على الجمعية العامة للموافقة.

يستحق سكرتير لجنة المراجعة مكافأة عن إنجاز مهامه لكل جلسة من جلساتها وتحدد قيمة المكافأة بقرار يصدره مجلس الإدارة .

3.9. Committee's responsibilities and tasks

Recommending to the Board to approve the appointment or reappointment of external auditors, dismiss them, determine their remunerations and assess their performance after verifying their independence and reviewing the scope of their work and the terms of their contracts. This may include ensuring that the nominated external auditors have the necessary experience in auditing Insurance Companies.

Verifying the independence of the external auditor, its objectivity, fairness and effectiveness of the audit activities, taken into account the relevant rules and standards.

Appointing or dismissing the head of the Compliance Department or the compliance officer after obtaining insurance authority's written non-objection.

Appointing or dismissing the head of the Internal Audit Department or the Internal Auditor after obtaining insurance authority's written non-objection.

Ensuring the independence of external auditors from the Company, the Board members and the senior management of the Company.

Ensuring the independence of the internal audit department or the internal auditor in performing their tasks, and ensuring that there are no restrictions on their scope of work or any impediments that might negatively affect their work.

مهام ومسؤوليات اللجنة

التوصية لمجلس الإدارة بالموافقة على تعيين أو إعادة تعيين المراجعين الخارجيين وعزلهم وتحديد أتعابهم وتقييم أدائهم، بعد التحقق من استقلالهم ومراجعة نطاق عملهم وشروط التعاقد معهم. ويشمل هذا ضمان تمتع المراجعين الخارجيين المرشحين بالخبرة اللازمة لمراجعة أعمال شركات التأمين.

التحقق من استقلال مراجع الحسابات وموضوعيته وعدالته، ومدى فعالية أعمال المراجعة، مع الأخذ في الاعتبار القواعد والمعايير ذات الصلة.

تعيين وعزل مدير إدارة الالتزام أو مسؤول الالتزام بعد الحصول على عدم ممانعة هيئة التأمين كتابةً.

تعيين وعزل مدير إدارة المراجعة الداخلية أو المراجع الداخلي بعد الحصول على عدم ممانعة هيئة التأمين كتابةً.

التأكد من استقلال المراجعين الخارجيين عن الشركة وأعضاء مجلس الإدارة والإدارة العليا في الشركة.

التأكد من استقلال إدارة المراجعة الداخلية أو المراجع الداخلي في أداء مهامهم، والتحقق من عدم وجود أي قيد على أعمالهم أو وجود ما يمكن أن يؤثر سلباً على أعمالهم.

3.9. Committee's responsibilities and tasks (continued)

مهام ومسؤوليات اللجنة (تتمة)

Reviewing and approving the internal audit charter at least annually to ensure that it accurately reflects the internal audit activity's purpose, authority and responsibility, consistent with the mandatory guidance of the IIA's International Professional Practices Framework and the scope and nature of assurance and consulting services, as well as changes in the financial, risk management and governance processes of the company and reflects developments in the professional practice of internal auditing.

مراجعة ميثاق المراجعة الداخلية والموافقة عليه سنوياً على الأقل للتأكد من أنه يعكس بدقة غرض نشاط المراجعة الداخلية وسلطاتها ومسؤوليتها، بما يتوافق مع التوجيه الإلزامي لإطار الممارسات المهنية الدولية لمعهد المدققين الداخليين الدولي ونطاق وطبيعة خدمات التأكيد والاستشارات، بالإضافة إلى التغييرات في المالية وإدارة المخاطر وعمليات الحوكمة للشركة والتطورات في الممارسة المهنية للمراجعة الداخلية.

Ensuring the independence of the Compliance Department or the Compliance Officer in performing their tasks, and ensuring that there are no restrictions on their scope of work or any impediments that might negatively affect their work.

التأكد من استقلالية إدارة الالتزام أو مسؤول الالتزام في أداء مهامهم، والتحقق من عدم وجود أي قيد على أعمالهم أو وجود ما يمكن أن يؤثر سلباً على أعمالهم.

Discussing the annual and interim quarterly financial statements with the external auditors and the Company's Senior Management before the issuance thereof.

مناقشة القوائم المالية السنوية والربع سنوية مع المراجعين الخارجيين والإدارة العليا للشركة قبل إصدارها.

Reviewing and auditing annual and interim quarterly financial statements and making recommendations thereon for the Board.

دراسة ومراجعة القوائم المالية السنوية والربع سنوية الأولية والتوصية لمجلس الإدارة بشأنها.

Reviewing the external auditor's report and its comments on the financial statements and following up the procedures taken in connection thereof.

دراسة تقرير مراجع الحسابات وملاحظاته على القوائم المالية ومتابعة ما اتخذ بشأنها.

Reviewing the audit plan of the external auditors including the proposed audit scope and approach and coordination of audit effort with the internal audit activity and ensuring that the external auditors do not provide any technical, administrative or consulting works that are beyond their scope of work, and provides its opinion thereon.

مراجعة خطة التدقيق للمراجعين الخارجيين بما في ذلك نطاق ونهج التدقيق المقترح وتنسيق جهود التدقيق مع نشاط المراجعة الداخلية والتحقق من عدم تقديم المراجع الخارجي أعمالاً فنية أو إدارية أو استشارية تخرج عن نطاق أعمال المراجعة، وابداء مرنيتها حيال ذلك.

Responding to the queries of the company's external auditor.

الإجابة عن استفسارات مراجع حساب الشركة.

Reviewing and providing input on the internal audit activity's strategic plan, objectives, performance measures and outcomes.

مراجعة وتقديم المدخلات المتعلقة بالخطة الإستراتيجية لنشاط المراجعة الداخلية وأهدافها ومقاييس الأداء والنتائج.

Reviewing and approving the internal audit plan including the resources necessary to achieve this plan.

مراجعة واعتماد خطة المراجعة الداخلية بما في ذلك الموارد اللازمة لتحقيق هذه الخطة.

Reviewing the progress achieved against the approved internal audit plan.

مراجعة التقدم المحرز في مقابل خطة المراجعة الداخلية المعتمدة.

Reviewing, approving, and monitoring the implementation of the compliance plan.

دراسة خطة الالتزام وقرارها ومتابعة تنفيذها.

3.9. Committee's responsibilities and tasks (continued)

مهام ومسؤوليات اللجنة (تتمة)

Reviewing critical accounting policies and procedures as well as the modifications that might be introduced thereto.

دراسة السياسات المحاسبية الهامة وإجراءاتها والتغيرات التي قد تجري عليها.

Coordinating between internal and external auditors.

التنسيق بين المراجعين الداخليين والخارجيين.

Reviewing the external auditors' reports and making recommendations thereon for the Board.

دراسة تقارير المراجعين الخارجيين ورفع التوصيات بشأنها لمجلس الإدارة.

Reviewing the reports of the Internal Audit Department or the Internal Auditor and submitting the related recommendations to the Board.

مراجعة تقارير إدارة المراجعة الداخلية أو المراجع الداخلي ورفع التوصيات بشأنها لمجلس الإدارة.

Reviewing and tracking management's action plans to address the results of internal audit engagements.

مراجعة وتتبع خطط عمل إدارة الشركة لمعالجة نتائج تقارير المراجعة الداخلية.

Reviewing and advising management on the results of any special investigations.

المراجعة وتقديم المشورة للإدارة بشأن نتائج أي تحقيقات خاصة.

Reviewing the reports of the Compliance Department or the Compliance Officer and making recommendations thereon for the Board.

دراسة تقارير إدارة الالتزام أو مسؤول الالتزام ورفع التوصيات بشأنها لمجلس الإدارة.

Assessing the efficiency, effectiveness and objectivity of work performed by the external auditors, the Internal Audit Department or the Internal Auditor, and the Compliance Department or the Compliance Officer.

تقييم مستوى كفاءة وفعالية وموضوعية أعمال المراجعين الخارجيين وإدارة المراجعة الداخلية أو المراجع الداخلي وإدارة الالتزام أو مسؤول الالتزام.

Providing input to management related to evaluating the performance of the Head of internal audit.

تقديم المدخلات المتعلقة بأداء مدير إدارة المراجعة الداخلية إلى الإدارة.

Reviewing the comments of insurance authority and other relevant supervisory and control entities related to any regulatory violations or corrective actions requested and making recommendations thereon for the Board.

دراسة ملاحظات هيئة التأمين والجهات الإشرافية والرقابية ذات العلاقة بشأن أي مخالفات نظامية أو طلب إجراءات تصحيحية ورفع التوصيات بشأنها لمجلس الإدارة.

Reviewing the internal and external auditors' assessment of internal control procedures.

دراسة تقييم المراجعين الداخليين والخارجيين لإجراءات الرقابة الداخلية.

Obtaining reasonable assurance with respect to the company's procedures for the prevention and detection of fraud through:

الحصول على تأكيد معقول فيما يتعلق بإجراءات الشركة لمنع واكتشاف الاحتيال من خلال:

- Overseeing management's arrangements for the prevention and deterrence of fraud.
- Ensuring that appropriate action is taken against known perpetrators of fraud.

- الإشراف على ترتيبات الإدارة لمنع وردع الاحتيال.
- التأكد من اتخاذ الإجراءات المناسبة ضد مرتكبي جرائم الاحتيال المعروفين.

Challenging management and internal and external auditors to ensure that the company has appropriate antifraud programs and controls in place to identify potential fraud and ensure that investigations are undertaken if fraud is detected.

مناقشة الإدارة والمراجعين الداخليين والخارجيين للتأكد من أن الشركة لديها برامج وضوابط مناسبة لمكافحة الاحتيال وذلك لتحديد الاحتيال المحتمل والتأكد من إجراء التحقيقات في حالة الكشف عن الاحتيال.

3.9. Committee's responsibilities and tasks (continued)

مهام ومسؤوليات اللجنة (تتمة)

Reviewing the adequacy and effectiveness of the company's risk management practices and controls in responding to the risks within the company's governance, operations and information systems through:

- Annually reviewing the company's risk profile.
- Obtaining from the Head of internal audit an annual report on management's implementation and maintenance of an appropriate company's wide risk management process.
- Reviewing and providing advice on the risk management processes established and maintained by management and the procedures in place to ensure that they are operating as intended.
- Considering the effectiveness of the company's control framework, including information technology security and control.
- Reviewing and providing advice on the control of the company as a whole and its individual units.
- Providing oversight on significant risk exposures and control issues, including fraud risks, governance issues and other matters needed or requested by senior management and the board.
- Receiving reports on all significant matters relating to work performed by other providers of financial and internal control assurance to senior management and the board.
- Providing oversight of the adequacy of the combined assurance being provided.

Reviewing intra-group transactions and related parties transactions.

Reviewing the contracts and proposed related party transactions and providing its recommendations to the board in connection therewith.

Reviewing the Actuary reports and making recommendations thereon for the Board.

Ensuring the Company's compliance with the Actuary's proposals and recommendations, where these are mandatory and required by Regulations or insurance authority's instructions.

مراجعة مدى كفاية وفعالية ممارسات وضوابط إدارة المخاطر بالشركة في الاستجابة للمخاطر ضمن حوكمة الشركة وعملياتها وأنظمة معلوماتها من خلال:

- المراجعة السنوية لملف مخاطر الشركة.
- الحصول على تقرير سنوي من مدير إدارة المراجعة الداخلية عن تنفيذ وحفاظ الإدارة على عملية مناسبة لإدارة المخاطر على مستوى الشركة.
- المراجعة وتقديم المشورة بشأن عمليات إدارة المخاطر التي تم وضعها والاحتفاظ بها من قبل الإدارة وكذلك الإجراءات المعمول بها للتأكد من أنها تعمل على النحو المنشود.
- دراسة مدى فاعلية الإطار الرقابي للشركة بما في ذلك أمن ومراقبة تكنولوجيا المعلومات.
- المراجعة وتقديم المشورة بشأن الرقابة على الشركة ككل ووحداتها الفردية.
- الإشراف على التعرض للمخاطر الكبيرة ومسائل الرقابة بما في ذلك مخاطر الاحتيال وقضايا الحوكمة وغيرها من الأمور المطلوبة من قبل الإدارة العليا ومجلس الإدارة.
- استلام التقارير عن جميع الأمور المهمة والمتعلقة بالعمل الذي يؤديه مقدمو خدمات ضمان الرقابة المالية والداخلية الآخرون للإدارة العليا ومجلس الإدارة.
- الإشراف على مدى كفاية الضمان المجمع المقدم.

دراسة العمليات فيما بين كيانات المجموعات والعمليات مع الأطراف ذوي العلاقة.

مراجعة العقود والتعاملات المقترح أن تجريها الشركة مع الأطراف ذوي العلاقة، وتقديم مثيراتها حيال ذلك إلى مجلس الإدارة.

دراسة تقارير الخبير الاكتواري ورفع التوصيات بشأنها لمجلس الإدارة.

ضمان التزام الشركة بتطبيق مقترحات وتوصيات الخبير الاكتواري عندما تكون الزامية بموجب اللوائح والتعليمات الصادرة عن هيئة التأمين والجهات الإشرافية والرقابية ذات العلاقة.

3.9. Committee's responsibilities and tasks (continued)

مهام ومسؤوليات اللجنة (تتمة)

Following-up the reports issued by insurance and other relevant supervisory and control entities and making recommendations thereon for the Board.

متابعة التقارير الصادرة عن هيئة التأمين والجهات الإشرافية والرقابية ذات العلاقة ورفع التوصيات بشأنها لمجلس الإدارة.

Determining the monthly salary, bonus and other remuneration of the Internal Audit Department or the Internal Auditor in accordance with the Company's internal by-laws approved by the Board.

تحديد المرتب الشهري والمكافأة التشجيعية والمكافآت الأخرى لإدارة المراجعة الداخلية أو المراجع الداخلي بما يتماشى مع اللوائح الداخلية للشركة المعتمدة من قبل المجلس.

Determining the monthly salary, bonus and other remuneration of the Compliance Department or the Compliance Officer in accordance with the Company's internal by-laws approved by the Board.

تحديد المرتب الشهري والمكافأة التشجيعية والمكافآت الأخرى لإدارة الالتزام أو مسؤول الالتزام بما يتماشى مع اللوائح الداخلية للشركة المعتمدة من قبل المجلس.

Ensuring that the Company's activities are conducted in a fair and ethical manner through:

التأكد من أن أنشطة الشركة تتم بطريقة عادلة وأخلاقية من خلال:

- Reviewing and assessing the policies, procedures and practices established by the company to monitor compliance with its code of conduct and ethics.
- Providing oversight of the mechanisms established by management to maintain high ethical standards.
- Reviewing and providing advice on the systems and practices established by management to monitor compliance with laws, regulations, policies and standards of ethical conduct and identify and deal with any legal or ethical violations.

- مراجعة وتقييم السياسات والإجراءات والممارسات التي وضعتها الشركة لمراقبة الالتزام بمدونة قواعد السلوك وأخلاقيات العمل.
- الإشراف على الآليات التي وضعتها الإدارة للمحافظة على معايير أخلاقية عالية.
- المراجعة وتقديم المشورة بشأن الأنظمة والممارسات التي وضعتها الإدارة لمراقبة الامتثال للقوانين واللوائح والسياسات ومعايير السلوك الأخلاقي وتحديد أي انتهاكات قانونية أو أخلاقية والتعامل معها.

Following-up on the important lawsuits filed by or against the Company and submitting periodic reports thereon to the Board.

متابعة الدعاوى القضائية المهمة المرفوعة من الشركة أو المرفوعة ضدها مع مدير إدارة الالتزام أو مسؤول الالتزام ورفع تقارير دورية بشأنها إلى مجلس الإدارة.

Ensuring the optimal use and controls of information technology necessary to generate accurate and reliable information and data are in place

ضمان الاستخدام الأمثل لتقنية المعلومات وتوافر الضوابط اللازمة للحصول على معلومات وبيانات دقيقة ويعتمد عليها.

Investigating any issues raised by the Company's chief financial officer or any person assuming his/her duties or the Company's compliance officer or external auditor.

التحقق بدقة في أي مسائل يثيرها المدير المالي للشركة أو من يتولى مهامها أو مسؤول الالتزام في الشركة أو مراجع الحسابات.

3.9. Committee's responsibilities and tasks (continued)

مهام ومسؤوليات اللجنة (تتمة)

Ensuring the Company's compliance with the relevant laws, regulations, policies and instructions through:

- Reviewing the effectiveness of the system for monitoring compliance with laws and regulations and the results of management's investigation and follow-up (including disciplinary action) of any instances of noncompliance.
- Reviewing the observations and conclusions of internal and external auditors and any other regulatory bodies.
- Reviewing the process for communicating the code of conduct to the company's personnel and for monitoring compliance.
- Obtaining regular updates from management and the company's legal counsel regarding compliance matters.

Inquiring of the Head of internal audit about steps taken to ensure that the internal audit activity conforms with the IIA's International Standards for the Professional Practice of Internal Auditing (Standards).

Ensuring that the internal audit activity has a quality assurance and improvement program and that the results of these periodic assessments are presented to the audit committee.

Ensuring that the internal audit activity has an external quality assurance review every five years.

Reviewing the results of the independent external quality assurance reviews and monitoring the implementation of the internal audit activity's action plans to address any recommendations.

Advising the board about any recommendations for the continuous improvement of the internal audit activity.

The audit Committee shall develop arrangements that enable the Company's employees to confidentially provide their remarks in respect of any inaccuracies in the financial or other reports. The audit Committee shall ensure that such arrangements have been put into action through an adequate independent investigation in respect of the error or inaccuracy, and shall adopt appropriate follow-up procedures.

Reporting to the board any issues in connection with what it deems necessary to take action on, and providing recommendations as to the steps that should be taken.

التحقق من التزام الشركة بالأنظمة واللوائح والسياسات والتعليمات ذات العلاقة من خلال:

- مراجعة فعالية نظام الالتزام بالقوانين والأنظمة ونتائج تحقيق الإدارة ومتابعتها (بمافي ذلك الإجراءات التأديبية) لأي من حالات عدم الالتزام.
- مراجعة ملاحظات واستنتاجات المراجعين الداخليين والخارجيين وأي جهات رقابية أخرى.
- مراجعة عملية ابلاغ قواعد السلوك لموظفي الشركة ومراقبة الالتزام.
- الحصول على تحديثات منتظمة من الإدارة والمستشار القانوني للشركة فيما يتعلق بمسائل الالتزام.

الاستعلام من مدير إدارة المراجعة الداخلية عن الخطوات المتخذة للتأكد من أن نشاط المراجعة الداخلية يتوافق مع معايير معهد المدققين الداخليين الدولية للممارسة المهنية للتدقيق الداخلي (المعايير).

التأكد من أن نشاط المراجعة الداخلية لديه برنامج لضمان الجودة وتحسينها وأن نتائج هذه التقييمات الدورية تعرض على لجنة المراجعة.

التأكد من أن نشاط المراجعة الداخلية يخضع لمراجعة خارجية لضمان الجودة كل خمس سنوات.

مراجعة نتائج مراجعات ضمان الجودة الخارجية المستقلة ومراقبة تنفيذ خطط عمل نشاط المراجعة الداخلية لمعالجة أي توصيات.

اطلاع مجلس الإدارة على أي توصيات للتحسين المستمر لنشاط المراجعة الداخلية.

على لجنة المراجعة وضع آلية تتيح للعاملين في الشركة تقديم ملحوظاتهم بشأن أي تجاوز في التقارير المالية أو غيرها بسرية. وعلى اللجنة التحقق من تطبيق هذه الآلية بإجراء تحقيق مستقل يتناسب مع حجم الخطأ أو التجاوز وتبني إجراءات متابعة مناسبة.

رفع ماتراه من مسائل ترى ضرورة اتخاذ إجراء بشأنها إلى مجلس الإدارة، وإبداء توصياتها بالإجراءات التي يتعين اتخاذها.

3.10. Committee's responsibility

The Audit Committee members are accountable to insurance authority, the Company's shareholders and the Board for implementing the provisions of audit committee regulation in insurance and/or reinsurance companies issued by insurance authority and executing the Audit Committee's action plan issued by a Board's decision.

The committee members should, while performing their tasks, give priority to the company's interest against any other considerations that might affect their work or decisions.

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

The Audit Committee's Report:

- The report of the audit shall include details of its performance of its competencies and duties stated in the Companies Law and Its Implementing Regulations, provided that the report contains its recommendations and opinion on the adequacy of the internal and financial control systems and risk management systems in the Company.

The report shall also include, the following:

- A summary of management's progress in addressing the results of internal and external audit engagement reports.
- An overall assessment of risk management, control and compliance processes, including details of any significant emerging risks or legislative changes impacting the company.
- Details of meetings, including the number of meetings held during the relevant period and the number of meetings each member attended.
- Information required, if any, by new or emerging corporate governance developments.

مسؤولية اللجنة

يكون أعضاء لجنة المراجعة مسؤولين أمام هيئة التأمين والمساهمين في الشركة ومجلس إدارة الشركة عن تنفيذ أحكام لائحة لجان المراجعة في شركات التأمين و/أو إعادة التأمين الصادرة عن هيئة التأمين وعن تنفيذ خطة عمل لجنة المراجعة الصادرة بقرار مجلس الإدارة.

يجب على أعضاء اللجنة أثناء تأدية مهامهم تقديم مصلحة الشركة على أي اعتبارات أخرى قد تؤثر على أعمالهم وقراراتهم.

إذا حصل تعارض بين توصيات لجنة المراجعة وقرارات مجلس الإدارة، أو إذا رفض المجلس الأخذ بتوصية اللجنة بشأن تعيين مراجع حسابات الشركة وعزله وتحديد أتعابه وتقييم أدائه أو تعيين المراجع الداخلي، فيجب تضمين تقرير مجلس الإدارة توصية اللجنة ومبرراتها وأسباب عدم أخذها بها.

تقرير لجنة المراجعة:

- يجب أن يشتمل تقرير لجنة المراجعة على تفاصيل أدائها لاختصاصاتها ومهامها المنصوص عليها في نظام الشركات ولوائح التنفيذية، على أن يتضمن توصياتها ورأيها في مدى كفاية نظم الرقابة الداخلية والمالية وإدارة المخاطر في الشركة.

كما يجب أن يتضمن التقرير مايلي:

- ملخص للتقدم الذي أحرزته إدارة الشركة في معالجة نتائج تقارير المراجعة الداخلية والخارجية.
- تقييم شامل لإدارة المخاطر والرقابة وعمليات الالتزام بما في ذلك تفاصيل أي مخاطر ناشئة كبيرة أو تغييرات تشريعية تؤثر على الشركة.
- تفاصيل الاجتماعات بما في ذلك عدد الاجتماعات التي عقدت خلال الفترة ذات الصلة وعدد الاجتماعات التي حضرها كل عضو.
- المعلومات المطلوبة، إن وجدت، من قبل التطورات الجديدة أو الناشئة في مجال حوكمة الشركات.

3.10. Committee's responsibility (continued)

مسؤولية اللجنة (تتمة)

The committee shall also report to the board at any time regarding any other matter it deems of sufficient importance.

على اللجنة كذلك تقديم تقرير إلى مجلس الإدارة في أي وقت بشأن أي مسألة أخرى تراها ذات أهمية كافية.

- The Board shall make available sufficient copies of the audit Committee's report at the Company's head office, in ten days at least before General Assembly when publishing the invitation to convene the General Assembly, to enable shareholders to get a copy thereof. Summary of the report shall be read at the General Assembly.

- يجب أن يودع مجلس الإدارة نسخاً كافية من تقرير لجنة المراجعة في مركز الشركة الرئيسي قبل موعد انعقاد الجمعية العامة بعشرة أيام عند نشر الدعوة لانعقاد الجمعية العامة لتمكين من يرغب من المساهمين في الحصول على نسخة منه. ويتلى ملخص التقرير أثناء انعقاد الجمعية العامة.

4. Final provisions

أحكام ختامية

The requirements contained in this regulation shall be adhered to and everything for which a requirement is not stated in the regulation shall be referred to the provisions in the regulations issued by the relevant authorities.

يتم التقيد بالمتطلبات الواردة في هذه اللائحة ، وكل ما لم يرد له منطلب في اللائحة ، يُرجع فيه إلى الأحكام الصادرة في اللوائح والأنظمة التنظيمية الصادرة من الجهات ذات العلاقة .

4.1. Review of the charter

مراجعة اللائحة

The charter is reviewed for the purpose of developing and updating it in line with the relevant laws and regulations once every three years on 1/1/2027, if no fundamental amendments or changes occur during that time.

يتم مراجعة اللائحة بغرض تطويرها وتحديثها بما يتماشى مع الأنظمة واللوائح ذات العلاقة مرة كل ثلاث سنوات وذلك بتاريخ 2027/01/01م ، إذا لم تحدث في غضون ذلك أي تعديلات أو تغييرات جوهرية.

No amendment may be made to it except upon the recommendation of the BOD, provided that it is presented to the general assembly for approval.

ولا يجوز اجراء ي تعديل عليها إلا بتوصية من مجلس الإدارة ، على أن تعرض على الجمعية العامة لإقرارها.

4.2. Enforcement

النفاد

The provisions of the charter are effective as of the date of their approval by the general assembly.

تُعد أحكام اللائحة نافذة المفعول اعتباراً من تاريخ اعتمادها من الجمعية العامة .

Item #8:

amendment Remuneration and Nomination committee charter.

شركة ملاذ للتأمين التعاوني
س.ت. ١٠٢٣١٧٨٧

Malath Cooperative Insurance Co.
C.R. No. 1010231787



Amendment on the Nomination and Remuneration Committee Charter

Amendment	Updated Version after Proposed Amendments	Current version	Paragraph	Subject
Addition	<p>Introduction</p> <p>The Remuneration and Nominations Committee (the Committee) is responsible for the competencies and duties specified in the Charter, the committee's Charter clarify the scope of its work, its structure and its competency. The committee in order to keep up with the best practices and ensure that the company's business is in line with the best practices of the corporate governance, and committee must submit the recommendations to the Board of Directors (the Board) to approve any necessary amendments according to the applicable regulations.</p>			
Addition	<p>Article (1): Purpose</p> <p>The purpose of this Charter to identifying the framework of Remuneration and Nominations Committee and governance the Committee with the regulatory requirements, the framework identifies the Committee performance mechanism, including its formation and identification of its tasks and competencies, in addition to its operating controls and procedures, and methods of electing and nominating its members, in accordance with the regulatory regulations.</p>			1
Addition	<p>Article (2): Scope</p> <p>This Remuneration and Nominations Committee Charter applied to the Committee's members at Malath cooperative insurance company, in respect of applying the provisions charter.</p>			2
Addition	<p>Article (3): Definitions</p> <p>Company: Malath Cooperative Insurance Co. Insurance Authority: Authority concerned with organizing the insurance sector in the Kingdom of Saudi Arabia. Charter: Charter for the Remunerations and Nominations Committee Board: Board of Directors of Malath Cooperative Insurance Co. Authority: Capital Market Authority Committee: Remunerations and Nominations Committee</p>			3
. (A maximum number of members has been added)	<p>Article (4): Committee Formation</p> <ol style="list-style-type: none"> The Committee members must be three members as a minimum and five members as a maximum. Two independent members must be within the formation. The Committee Chairman must be an independent member. The Board Chairman must not chair the Committee. Non-executive members or non-members of the Board, such as shareholders or others, may be elected. The Committee duration must be the same duration of the Board. The Committee must be formed under a decision issued by the non-executive Board members. 	Applying what has been approved by the General Assembly of the Company based on the proposal of the Board of Directors, the rules for selecting the members of the Nomination and Remuneration Committee, the duration of their membership, and the method		4

Amendment	Updated Version after Proposed Amendments	Current version	Paragraph	Subject
<p>The Committee duration added . (This paragraph has been added). (The word shareholders has been added)</p>	<p>8. If the Committee Chairman absence to attend the meeting the Committee members must nominate a temporary chairman for the meeting.</p>	<p>of work of the Committee periodically, and that its members are from the independent Board of Directors. It is permissible to use non-executive members or persons from outside the Board, provided that the Chairman of the Committee is independent. Its members shall be appointed following the rules issued by the General Assembly, provided that the Nomination and Remuneration Committee shall consist of at least three members, including two independent members.</p> <p>The committee chooses its chairman from among its members, and also a secretary may be chosen from among its members or the employees of the company to write the minutes of its meeting and carry out the administrative tasks of the committee. A member of the Committee shall be deemed to have resigned if he fails to attend the meetings of the Committee for more than three consecutive sessions, without the prior permission of the Chairman of the Committee.</p>		
<p>Addition</p>	<p>Article (5): Committee duration The Committee duration must commence from the date of its formation, and to expire with the end of the Board duration, or ending his services by the Board. The Committee membership duration must be as the same of the Board membership duration.</p>			5
<p>Addition</p>	<p>Article (6): Committee Secretary Appointment 1.The Committee must appoint a Committee Secretary from its members or not member in the Committee have the required qualifications. The secretary must be responsible for documenting the Committee meetings, preparing the minutes of meeting that include discussions, meeting location and date with the starting / ending time, documenting the committee decisions and voting results in a special and organized record, recording attended member's names and</p>			6

Amendment	Updated Version after Proposed Amendments	Current version	Paragraph	Subject
	<p>the reservations they have made – if any – also, signing these minutes from all the members attendees and its reservations - if any - and signing such minutes from all attended members.</p> <p>2. Providing the Committee members with the meeting agenda, working papers, documents, meeting information and any additional information required by the Committee members, in the meetings topics mentioned in the meeting agenda.</p> <p>3. Informing the Committee members in the Committee meetings before the meeting day no less than 10 days.</p> <p>4 Submitting the regular reports on the Committee’s activities to the Board and performing all the other tasks that may be assigned by the Committee.</p>			
Addition	<p>Article (7): Meeting Agenda</p> <p>In coordination with the Committee chairman, the secretary must prepare the meeting agenda and arrange topics to be discussed according to its significance and priority, provided to be reviewed and approved by the Committee chairman before being distributed to the members.</p>			7
Addition	<p>Article (8): Meeting Minute</p> <p>1. the Committee secretary must prepare and submit the minute of meeting first draft to the Committee members within five working days.</p> <p>2. The Committee members must provide its remarks and opinions, in terms of the minute within five working days as of the minute of meeting first draft date received by the Committee secretary.</p> <p>3. Any member can reserve any decision taken by the Committee, provided to clarify the main reasons of such reservation. If any members leave the Committee meeting before being done, its reservation if any must be limited to the clauses discussed upon its attended, provided that he states in the minutes, based on his wish, the topics that he did not attend the discussion of, if he expresses his desire to do so in writing.</p> <p>4. The Committee secretary must amend the minute of meeting first draft according to the member’s remarks.</p> <p>5. The Committee secretary must prepare the final minute, which must deem to be official upon all attended members and the Committee secretary signature.</p> <p>6. The Committee secretary must submit the approved and signed minute to the Committee members.</p> <p>7. If a Committee member want to include a remark in the next meeting agenda to be a main topic, that must be coordinate Coordinates with the committee chairman to schedule this in the meeting agenda.</p> <p>8. The Committee must follow-up on the results issued therefrom in previous meetings.</p>			8
Addition	<p>Article (9): Resources and Information Sources</p> <p>The Committee must have an access all resources and information needed to be able to perform its competences, tasks and responsibilities to the fullest.</p>			9

Amendment	Updated Version after Proposed Amendments	Current version	Paragraph	Subject
Addition	<p>Article (10): Invitees</p> <p>1. the invitees are not entitled to participate in any discussion related to its appointment, benefits, service termination or any other matter in relation thereto, unless the Committee requests to participate in such discussions.</p> <p>2. The Committee members and other invitees to the Committee meetings must not disclose Company confidential information and maintain the meeting confidentiality, discussions, and documents accessed by the attendees.</p>			10
The wording was amended by deleting and adding	<p>Article (11): Tasks for the Remunerations and Nominations Committee</p> <p>The Committee must perform all the competencies assigned thereto, and to submit its reports to the Board while maintaining direct channels of communication with it. Moreover, the Committee must not be entitled to amend any decision issued by the Board. The Committee competencies must be made according to the regulatory regulations as follows:</p> <ol style="list-style-type: none"> 1- Proposing clear policies and standards for the Board and the Executive Management membership. 2- Establish clear policies for compensation and remunerations for the Board members, its committees, senior management on a regular basis. 3- Recommending the Board to nominate for membership in the Board and its committees, also to re-nominate them according to the approved policies and standards, taking into consideration not to nominate any person who has previously been convicted of a crime involving breach of trust. 4- Establishing the policy and procedures of the succession for the CEO, senior members of the Top Management, and controlling implementation of the plans and procedures of succession. 5- Establishing procedures related to a vacancy in Director or senior executive position. 6- Creating a job description for executives, non-executive members, independent members and senior executives. 7- Preparing a clear policy for the remuneration of the Board, its committees, Executive Management, and submit it to the Board for review, in order to approve it by the General Assembly, provided that this policy must take into consideration following standards related to performance, disclosing them, and verifying their implementation. 8- Preparing a description for capabilities and qualifications required for the Board membership and the executive jobs. 9- Conducting annual review for the required needs such as skills proper for the Board's membership, committee's membership and Executive Management jobs. 10- Identifying the time needed by the member for the Board and committee tasks. 11- Periodically evaluating the performance of the Board, and its committee's members. 12- Reviewing the compensations plans of the Top Management members. 13- Supervising on the induction program and the periodic training for the Board. 14- Evaluating the structure and organization of the Board and its committees, and regularly identifying weaknesses, along with proposing the actions need to be addressed. 15- Recommending the appointment and exemption of the Top Management members. 16- Recommending the Board regarding the subjects of nominations and remunerations. 	<p>The functions and responsibilities of the Nomination and Remuneration Committee include:</p> <ul style="list-style-type: none"> • Recommend to the Board of Directors nomination for membership of the Board of Directors and its committees following the statutory requirements, policies, and approved standards. The Committee shall take into account that a person who has been convicted of a crime against honor and honesty is not nominated for membership of the Committee. • Prepare a description of the capabilities and qualifications required for membership of the Board of Directors and its committees, including the time that the member must allocate to the work of the Board of Directors and its committees. • Establishing special procedures in the event of a vacancy in the position of a member of the Board of 		11

Amendment	Updated Version after Proposed Amendments	Current version	Paragraph	Subject
	<p>17- Recommending the Board regarding the remunerations of the Board, its committee’s members, and senior executives, in accordance with the approved policy.</p> <p>18- The committee clarifies the relationship between the remuneration granted and the applicable remuneration policy, also clarifying any material deviation from the policy.</p> <p>19- Periodically reviewing the remuneration policy and evaluating its effectiveness regarding achieving the objectives.</p> <p>20- Reviewing the structure of the Board and the Executive Management and providing recommendations regarding changes that can be made.</p> <p>21- Annually Independence verifying of the independent members and lacking of any conflict of interest, if such member is a member at another company.</p> <p>22- Reviewing the code of conduct, representing the Company values and development, and other internal policies and procedures, meeting the Company needs and being in line with the best practices, and submitting to the Board for approval.</p> <p>23- The effectiveness and efficiency of human resources program and other programs related to talent development and ensuring the effective application of successful practices in the field of human resources to meet the needs of the basic and supporting sectors according to priorities.</p> <p>24- Evaluating human resources programs, including talent attraction and retention programs, performance management programs, succession plans, comprehensive incentives and remunerations programs, and programs to diversify employment sources, in order to enrich the cumulative experience, enabling the company to improve the culture of institutional performance at the macro level.</p> <p>25- Interviewing, appointing the Executive Management (Vice-Presidents and Chief Financial Officer), identifying its financial benefits and conducting end-of-service interviews for them upon resignation.</p>	<p>Directors or senior executives.</p> <ul style="list-style-type: none"> • Reviewing the necessary skills requirements for board members at least annually and recommending solutions in the best interest of the company. • Develop succession policies and procedures for the Board of Directors and its committees. • Review the structure and composition of the Council and its committees and identify weaknesses periodically and propose the necessary steps to address them, as well as develop a job description for executive members, non-executive members, independent members, and senior executives. • Evaluating and monitoring the independence of the members of the Board and its committees at least annually and ensuring that there is no conflict of interest in cases where the member is a member of the Board of Directors of another company. • Establish clear policies for compensation and remuneration for directors (as approved by the General Assembly), their committees, 		

Amendment	Updated Version after Proposed Amendments	Current version	Paragraph	Subject
		<p>the CEO, and senior management members based on their performance in achieving the Company's strategic objectives and adjusted business profits.</p> <ul style="list-style-type: none"> • Ensure annual review of compensation plans of senior management independently of executive management. • Make final recommendations to the Board on matters relating to the appointment and discharge of senior management members and/or promotion of existing staff to senior management positions following SAMA's rules on the suitability and suitability of persons. • Submitting final recommendations to the Board regarding the exemption of senior management members. • Develop succession policy and procedures for the CEO and senior management and monitor the application of succession plans and procedures. • Evaluating the performance of the members of the Council (the performance of the entire Council and the individual performance of its members) and its committees periodically (at least on an annual basis. 		

Amendment	Updated Version after Proposed Amendments	Current version	Paragraph	Subject
		<ul style="list-style-type: none"> • Supervising the induction program and periodic training for the members of the Board of Directors. • Take any other action or assume any other powers and responsibilities as may be assigned to it by the Committee or as may be delegated to it from time to time by the Board. 		
Addition	<p>Article (12): Member Appointment for the Remunerations and Nominations Committee</p> <ol style="list-style-type: none"> 1. The Board must appoint the chairman and members of the Committee after obtaining non-objection of the Insurance Authority. 2. The Committee duration must be the same as the Board duration. 3. The Capital Market Authority must be notified of the members names and its membership positions within five working days as the date of appointment, besides any changes that occur within five days as the date of the changes occurrence. 4. The Board- after obtaining a non-objection from the Insurance Authority – can entitled to dismiss any member of the Remuneration and Nominations Committee if that it loses the membership conditions or commits a violation of the provisions and regulate regulations. A member of the Remuneration and Nominations Committee can resign, provided that it must submit its resignation request in advance to the Board one month before the resignation effective date. The Company must notify the Insurance Authority in writing of its resignation, and the Capital Market Authority within five working days as the resignation date. 5. If the Committee member position is vacant, the Board must appoint a member to the vacant position before the end of the current session of the Committee, in accordance with the prepared procedure, as soon as possible, so that the formation of the Committee is consistent with what is required by the regulatory regulations, in respect of the minimum number of Committee members (3members). In addition, the new member completes the term of its predecessor. 6. The Committee membership must immediately terminate if any change occurs that may violate the membership conditions provided in the regulations, instructions, or decisions of the regulatory and supervisory authorities. 			12
Addition	<p>Article (13): Remunerations and Nominations Committee Meetings</p> <p>The Committee must periodically hold its meetings, and whenever needed, according to the chairman’s invitation. Furthermore, the Committee chairman must call for a meeting if two of the Committee members submit a written request addressed to the Committee chairman, provided that the number of Committee meetings must not be less than two meetings on an annual basis.</p> <ol style="list-style-type: none"> 1. The Committee may hold exceptional meetings, if necessary, and the quorum must be completed upon attendance of the members’ majority. 	<p>Meetings shall be held if half of the members are present and at least Attendance is two members.</p>		13

Amendment	Updated Version after Proposed Amendments	Current version	Paragraph	Subject
	<ol style="list-style-type: none"> 2. For the meeting validation, the Committee member's majority attendance is required. Additionally, the committee decisions are issued by a majority of the opinions of the members attended at the meeting, and in the event of a tie, the opinion with which the president of the meeting voted shall prevail. In the event of a tie, the chairman may postpone making the decision for further inspection. 3. The Committee meetings must hold at the Company headquarters. The Committee can hold its meetings outside the Company headquarters and through the approved modern technology. which allow the members to participate in deliberations of the agenda and vote on the decisions. 4. The Committee may invite whomever deems appropriate, as per its own discretion, to attend the meeting, without having the right to vote on the Committee decisions, provided that this must be recorded in the meeting minutes. 5. The committee meetings must be documented and minutes must be prepared that include the discussions, deliberations, recommendations and voting results. Minutes must be documented and maintained in a special, organized record, also the names of the members attended and the reservations they expressed - if any - must be mentioned, and these minutes must be signed by all the attended members. 6. Meeting invitations must be sent in enough time, provided that the invitation must contain the time, date and venue of the meeting, the agenda, besides the documents that will be discussed at the meeting. 	<p style="color: red;">The Committee shall hold meetings at the request of its Chairman.</p>		
Addition	<p>Article (14): Follow-up in Committee tasks and Board oversight Mechanism The Committee chairman must submit the recommendations and reports issued by the Committee to the Board of Directors. This must be in the first Board meeting following the Committee meeting. The Board must control the Committee by reports submitted to it by the Committee.</p>			14
Addition	<p>Article (15): Committee Member Remunerations and Allowances</p> <ol style="list-style-type: none"> 1. The Committee member is entitled to receive an annual remuneration, attendance allowance and other allowances for its membership of the Committee as per the Committee policy approved by the General Assembly and recommended by the Board, provided to be included in the annual Board report. 2. The remunerations received by the Committee members must be disclosed in the Board annual report. 3. The Committee members must be entitled to have a compensation for the business trips to attend the Committee meetings, where it is hold, from its residence to the Company headquarters or the meeting convention venue, along with any other costs related to the accommodation and transport according to the policy applicable at the Company. 4. The Company entitled to claim compensation for the damage to its reputation and to recover the remunerations, compensation spent, any other costs incurred by the Company, if any member commits an act of dishonesty, forgery, or in violation of the regulatory regulations upon a member fails to perform its responsibilities, tasks and duties, resulting in damage to the company. 			15
Addition	<p>Article (16): Charter Review This charter must be periodically (biennially) reviewed as a minimum, and to be updated in line with the regulatory regulations. Additionally, the Committee must be responsible for review and evaluate the policy effectiveness in line with the Company strategy and objectives after being approved by the General Assembly of Shareholders after the Board recommendation regarding such matter.</p>			16
Addition	<p>Article (17): Generals</p>			17

Amendment	Updated Version after Proposed Amendments	Current version	Paragraph	Subject
	Where no text is mentioned in this regard, the regulatory regulations issued by the competent agencies must be applied to.			
Addition	Article (18): Effectiveness This charter effective as of its approval date decided by the Ordinary General Assembly. Articles of the charter must not be amended, removed or added only after obtaining the consent of the General Assembly.			18

Charter for the Remunerations and Nominations Committee
Malath Cooperative Insurance Co.
(Draft)

Version	
Classification	
Prepared By	
Reviewed By	
Approved By	
Approval Date	

Table of Contents

Article (1): Purpose

Article (2): Scope

Article (3): Definitions

Article (4): Committee Formation

Article (5): Committee duration

Article (6): Committee Secretary Appointment

Article (7): Meeting Agenda

Article (8): Meeting Minute

Article (9): Resources and Information Sources

Article (10): Invitees

Article (11): Tasks for the Remunerations and Nominations Committee

Article (12): Member Appointment for the Remunerations and Nominations Committee

Article (13): Remunerations and Nominations Committee Meetings

Article (14): Follow-up in Committee tasks and Board oversight Mechanism

Article (15): Committee Member Remunerations and Allowances

Article (16): Charter Review

Article (17): Generals

Article (18): Effectiveness

Introduction

The Remuneration and Nominations Committee (the Committee) is responsible for the competencies and duties specified in the Charter, the committee's Charter clarify the scope of its work, its structure and its competency. The committee in order to keep up with the best practices and ensure that the company's business is in line with the best practices of the corporate governance, and committee must submit the recommendations to the Board of Directors (the Board) to approve any necessary amendments according to the applicable regulations.

Article (1): Purpose

The purpose of this Charter to identifying the framework of Remuneration and Nominations Committee and governance the Committee with the regulatory requirements, the framework identifies the Committee performance mechanism, including its formation and identification of its tasks and competencies, in addition to its operating controls and procedures, and methods of electing and nominating its members, in accordance with the regulatory regulations.

Article (2): Scope

This Remuneration and Nominations Committee Charter applied to the Committee's members at Malath cooperative insurance company, in respect of applying the provisions charter.

Article (3): Definitions

Company Malath Cooperative Insurance Co.

Insurance Authority: Authority concerned with organizing the insurance sector in the Kingdom of Saudi Arabia.

Charter: Charter for the Remunerations and Nominations Committee

Board: Board of Directors of Malath Cooperative Insurance Co.

Authority: Capital Market Authority

Committee: Remunerations and Nominations Committee

Article (4): Committee Formation

1. The Committee members must be three members as a minimum and five members as a maximum.
2. Two independent members must be within the formation.

3. The Committee Chairman must be an independent member.
4. The Board Chairman must not chair the Committee.
5. Non-executive members or non-members of the Board, such as shareholders or others, may be elected.
6. The Committee duration must be the same duration of the Board.
7. The Committee must be formed under a decision issued by the non-executive Board members.
8. If the Committee Chairman absence to attend the meeting the Committee members must nominate a temporary chairman for the meeting.

Article (5): Committee duration

The Committee duration must commence from the date of its formation, and to expire with the end of the Board duration, or ending his services by the Board. The Committee membership duration must be as the same of the Board membership duration.

Article (6): Committee Secretary Appointment

The Committee must appoint a Committee Secretary from its members or not member in the Committee have the required qualifications. The secretary must be responsible for documenting the Committee meetings, preparing the minutes of meeting that include discussions, meeting location and date with the starting / ending time, documenting the committee decisions and voting results in a special and organized record, recording attended member's names and the reservations they have made – if any – also, signing these minutes from all the members attendees and its reservations - if any - and signing such minutes from all attended members.

2. Providing the Committee members with the meeting agenda, working papers, documents, meeting information and any additional information required by the Committee members, in the meetings topics mentioned in the meeting agenda.
3. Informing the Committee members in the Committee meetings before the meeting day no less than 10 days.
4. Submitting the regular reports on the Committee's activities to the Board and performing all the other tasks that may be assigned by the Committee.

Article (7): Meeting Agenda

In coordination with the Committee chairman, the secretary must prepare the meeting agenda and arrange topics to be discussed according to its significance and priority, provided to be reviewed and approved by the Committee chairman before being distributed to the members.

Article (8): Meeting Minute

1. the Committee secretary must prepare and submit the minute of meeting first draft to the Committee members within five working days.
2. The Committee members must provide its remarks and opinions, in terms of the minute within five working days as of the minute of meeting first draft date received by the Committee secretary.
3. Any member can reserve any decision taken by the Committee, provided to clarify the main reasons of such reservation. If any members leave the Committee meeting before being done, its reservation if any must be limited to the clauses discussed upon its attended, provided that he states in the minutes, based on his wish, the topics that he did not attend the discussion of, if he expresses his desire to do so in writing.
4. The Committee secretary must amend the minute of meeting first draft according to the member's remarks.
5. The Committee secretary must prepare the final minute, which must deem to be official upon all attended members and the Committee secretary signature.
6. The Committee secretary must submit the approved and signed minute to the Committee members.
7. If a Committee member want to include a remark in the next meeting agenda to be a main topic, that must be coordinate Coordinates with the committee chairman to schedule this in the meeting agenda.
8. The Committee must follow-up on the results issued therefrom in previous meetings.

Article (9): Resources and Information Sources

The Committee must have an access all resources and information needed to be able to perform its competences, tasks and responsibilities to the fullest.

Article (10): Invitees

1. the invitees are not entitled to participate in any discussion related to its appointment, benefits, service termination or any other matter in relation thereto, unless the Committee requests to participate in such discussions.
2. The Committee members and other invitees to the Committee meetings must not disclose Company confidential information and maintain the meeting confidentiality, discussions, and documents accessed by the attendees.

Article (11): Tasks for the Remunerations and Nominations Committee

The Committee must perform all the competencies assigned thereto, and to submit its reports to the Board while maintaining direct channels of communication with it. Moreover, the Committee must not be entitled to amend any decision issued by the Board. The Committee competencies must be made according to the regulatory regulations as follows:

1. Proposing clear policies and standards for the Board and the Executive Management membership.
2. Establish clear policies for compensation and remunerations for the Board members, its committees, senior management on a regular basis.
3. Recommending the Board to nominate for membership in the Board and its committees, also to re-nominate them according to the approved policies and standards, taking into consideration not to nominate any person who has previously been convicted of a crime involving breach of trust.
4. Establishing the policy and procedures of the succession for the CEO, senior members of the Top Management, and controlling implementation of the plans and procedures of succession.
5. Establishing procedures related to a vacancy in Director or senior executive position.
6. Creating a job description for executives, non-executive members, independent members and senior executives.
7. Preparing a clear policy for the remuneration of the Board, its committees, Executive Management, and submit it to the Board for review, in order to approve it by the General Assembly, provided that this policy must take into consideration following standards related to performance, disclosing them, and verifying their implementation.
8. Preparing a description for capabilities and qualifications required for the Board membership and the executive jobs.
9. Conducting annual review for the required needs such as skills proper for the Board's membership, committee's membership and Executive Management jobs.
10. Identifying the time needed by the member for the Board and committee tasks.
11. Periodically evaluating the performance of the Board, and its committee's members.
12. Reviewing the compensations plans of the Top Management members.
13. Supervising on the induction program and the periodic training for the Board.

14. Evaluating the structure and organization of the Board and its committees, and regularly identifying weaknesses, along with proposing the actions need to be addressed.
15. Recommending the appointment and exemption of the Top Management members.
16. Recommending the Board regarding the subjects of nominations and remunerations.
17. Recommending the Board regarding the remunerations of the Board, its committee's members, and senior executives, in accordance with the approved policy.
18. The committee clarifies the relationship between the remuneration granted and the applicable remuneration policy, also clarifying any material deviation from the policy.
19. Periodically reviewing the remuneration policy and evaluating its effectiveness regarding achieving the objectives.
20. Reviewing the structure of the Board and the Executive Management and providing recommendations regarding changes that can be made.
21. Annually Independence verifying of the independent members and lacking of any conflict of interest, if such member is a member at another company.
22. Reviewing the code of conduct, representing the Company values and development, and other internal policies and procedures, meeting the Company needs and being in line with the best practices, and submitting to the Board for approval.
23. The effectiveness and efficiency of human resources program and other programs related to talent development and ensuring the effective application of successful practices in the field of human resources to meet the needs of the basic and supporting sectors according to priorities.
24. Evaluating human resources programs, including talent attraction and retention programs, performance management programs, succession plans, comprehensive incentives and remunerations programs, and programs to diversify employment sources, in order to enrich the cumulative experience, enabling the company to improve the culture of institutional performance at the macro level.
25. Interviewing, appointing the Executive Management (Vice-Presidents and Chief Financial Officer), identifying its financial benefits and conducting end-of-service interviews for them upon resignation.

Article (12): Member Appointment for the Remunerations and Nominations Committee

1. The Board must appoint the chairman and members of the Committee after obtaining non-objection of the Insurance Authority.
2. The Committee duration must be the same as the Board duration.
3. The Capital Market Authority must be notified of the members names and its membership positions within five working days as the date of appointment, besides any changes that occur within five days as the date of the changes occurrence.
4. The Board- after obtaining a non-objection from the Insurance Authority – can entitled to dismiss any member of the Remuneration and Nominations Committee if that it loses the membership conditions or commits a violation of the provisions and regulate regulations. A member of the Remuneration and Nominations Committee can resign, provided that it must submit its resignation request in advance to the Board one month

- before the resignation effective date. The Company must notify the Insurance Authority in writing of its resignation, and the Capital Market Authority within five working days as the resignation date.
5. If the Committee member position is vacant, the Board must appoint a member to the vacant position before the end of the current session of the Committee, in accordance with the prepared procedure, as soon as possible, so that the formation of the Committee is consistent with what is required by the regulatory regulations, in respect of the minimum number of Committee members (3members). In addition, the new member completes the term of its predecessor.
 6. The Committee membership must immediately terminate if any change occurs that may violate the membership conditions provided in the regulations, instructions, or decisions of the regulatory and supervisory authorities.

Article (13): Remunerations and Nominations Committee Meetings

The Committee must periodically hold its meetings, and whenever needed, according to the chairman's invitation. Furthermore, the Committee chairman must call for a meeting if two of the Committee members submit a written request addressed to the Committee chairman, provided that the number of Committee meetings must not be less than two meetings on an annual basis.

1. The Committee may hold exceptional meetings, if necessary, and the quorum must be completed upon attendance of the members' majority.
2. For the meeting validation, the Committee member's majority attendance is required. Additionally, the committee decisions are issued by a majority of the opinions of the members attended at the meeting, and in the event of a tie, the opinion with which the president of the meeting voted shall prevail. In the event of a tie, the chairman may postpone making the decision for further inspection.
3. The Committee meetings must hold at the Company headquarters. The Committee can hold its meetings outside the Company headquarters and through the approved modern technology. which allow the members to participate in deliberations of the agenda and vote on the decisions.
4. The Committee may invite whomever deems appropriate, as per its own discretion, to attend the meeting, without having the right to vote on the Committee decisions, provided that this must be recorded in the meeting minutes.
5. The committee meetings must be documented and minutes must be prepared that include the discussions, deliberations, recommendations and voting results. Minutes must be documented and maintained in a special, organized record, also the names of the members attended and the reservations they expressed - if any - must be mentioned, and these minutes must be signed by all the attended members.
6. Meeting invitations must be sent in enough time, provided that the invitation must contain the time, date, and venue of the meeting, the agenda, besides the documents that will be discussed at the meeting.

Article (14): Follow-up in Committee tasks and Board oversight Mechanism

The Committee chairman must submit the recommendations and reports issued by the Committee to the Board of Directors. This must be in the first Board meeting following the Committee meeting. The Board must control the Committee by reports submitted to it by the Committee.

Article (15): Committee Member Remunerations and Allowances

1. The Committee member is entitled to receive an annual remuneration, attendance allowance and other allowances for its membership of the Committee as per the Committee policy approved by the General Assembly and recommended by the Board, provided to be included in the annual Board report.
2. The remunerations received by the Committee members must be disclosed in the Board annual report.
3. The Committee members must be entitled to have a compensation for the business trips to attend the Committee meetings, where it is hold, from its residence to the Company headquarters or the meeting convention venue, along with any other costs related to the accommodation and transport according to the policy applicable at the Company.
4. The Company entitled to claim compensation for the damage to its reputation and to recover the remunerations, compensation spent, any other costs incurred by the Company, if any member commits an act of dishonesty, forgery, or in violation of the regulatory regulations upon a member fails to perform its responsibilities, tasks and duties, resulting in damage to the company.

Article (16): Charter Review

This charter must be periodically (biennially) reviewed as a minimum, and to be updated in line with the regulatory regulations. Additionally, the Committee must be responsible for review and evaluate the policy effectiveness in line with the Company strategy and objectives after being approved by the General Assembly of Shareholders after the Board recommendation regarding such matter.

Article (17): Generals

Where no text is mentioned in this regard, the regulatory regulations issued by the competent agencies must be applied to.

Article (18): Effectiveness

This charter effective as of its approval date decided by the Ordinary General Assembly. Articles of the charter must not be amended, removed or added only after obtaining the consent of the General Assembly.

Item #9:
amendment for Remuneration policy for Board, Committees and
Executive.

شركة ملاذ للتأمين التعاوني
س.ت. ١٠٢٣١٧٨٧

Malath Cooperative Insurance Co.
C.R. No. 1010231787



Amendment on Policy of Board Directors Remunerations, Its Emanating Committees, and the Executive Management

Amendment	Updated Version after Proposed Amendments	Current version	Paragraph	Article number
Addition	<p>Article (1): Introduction Board Directors Remunerations policy, its Emanating Committees, and the Executive Management for the Malath Cooperative Insurance Co was established in purpose to be align with paragraph (1) Article 58 of the Corporate Governance Regulations issued by the Capital Market Authority (CMA). Also to be align with the applicable laws and regulations which issued from the other regulators in the Saudi Arabia Kingdom, and the Company's Articles of Association.</p>			1
Addition	<p>Article (2): Purpose The policy aims to set clear remunerations standards to the members of Board, its committees and executive management, in order to determine all remuneration due to them that motivates them to perform their tasks and duties professionally to the fullest accordance with the company's Articles of Association and regulatory regulations.</p>			2
Addition	<p>Article (3): Definitions The following words and phrases - whenever mentioned - shall have the meanings assigned to them unless the context otherwise requires: Company: Malath Cooperative Insurance Co.</p>			3

Amendment	Updated Version after Proposed Amendments	Current version	Paragraph	Article number
	<p>Insurance Authority: Responsible authority to regulating the insurance sector in the Saudi Arabia Kingdom.</p> <p>Authority: Capital Market Authority.</p> <p>Policy: Board Directors Remunerations Policy, its Emanating Committees, and the Executive Management.</p> <p>Board: Malath Cooperative Insurance Co Board of Directors.</p> <p>Remunerations: Amounts, allowances, profits and equivalentents, coupled with periodic and annual remunerations related to the performance and short or long motivation plans, also any other in-kind benefits, except the actual expenses incurred by the company for a Board member in purpose of performing its work.</p> <p>Assembly: General Assembly of Malath Cooperative Insurance Co Shareholders.</p> <p>References</p> <ol style="list-style-type: none"> 1. Companies Law issued by the Ministry of Commerce. 2. Implementing Regulation of the Companies Law for Listed Joint Stock Companies. 3. Company Articles of association. 4. Circulars of the Insurance Authority. 5. Corporate Governance Regulations. 			
	<p>Article (4): General Standards of Remunerations</p>			4

Amendment	Updated Version after Proposed Amendments	Current version	Paragraph	Article number
addition	<p>Without prejudice to the Companies Laws, Company's AOA, and regulatory regulations, when the Company determines remuneration shall take into account the following:</p> <ol style="list-style-type: none"> 1. The Policy shall align with the Company's strategy and objectives, to be consistent with the volume and nature of the Company's risk level. 2. The variable part of remunerations shall be taken into account to be linked with the long term performance. 3. Remunerations shall be provided in purposes of motivating the Board and the Executive Management to make the company successful and grow in the long term. 4. Remunerations shall be identified based on the job level, tasks, responsibilities, which assigned to its holder, qualifications, experiences, skills and performance level. 5. Other companies' practices of identifying remunerations shall be taken into account with avoiding what may arise of unexplained increasing of remunerations and compensations. 6. Remunerations shall aim to attract, maintain and motivate the professional competencies, Without exaggerating it 7. It shall be prepared in coordination with the Remunerations and Nominations Committee upon new appointments. 8. Regulating the granting of shares in the Company to the members of the Board and 			

Amendment	Updated Version after Proposed Amendments	Current version	Paragraph	Article number
	the Executive Management, whether it is a new or shares purchased by the Company.			
Addition	<p>Article (5): Generals</p> <ol style="list-style-type: none"> 1. The Remuneration and Nominations Committee is responsible for preparing the remuneration policy, periodically reviewing it, and evaluating its efficiency in achieving its objectives. 2. The Board member's remunerations must be approved by the General Assembly and the details of proposed remunerations and compensations must be published to be available to all shareholders before holding the General Assembly meeting to vote on such remunerations. 			5
There is no modification	<p>Article (6): Remunerations of Directors</p> <p>In accordance with Article (19) of AoA, the Board member's remunerations must be as follows: The minimum annual remuneration for the Chairman and members of the Board must be (SR 200,000) two hundred thousand and the maximum must be (SR 500,000) five hundred thousand, for the Board membership and the participation in performing its works, including the additional remunerations if the Member participates in any of the committees emanating from the Board.</p>	<p>Article 25: Remuneration of Directors</p> <p>Following Article 19 of the Articles of Association of the Company, the remuneration of the Directors shall be as follows:</p> <ul style="list-style-type: none"> • The minimum annual remuneration of the Chairman and members of the Board of Directors of Malath Insurance Company shall be (200,000) two hundred thousand Saudi riyals and the maximum (500,000 Saudi riyals) five 		6

Amendment	Updated Version after Proposed Amendments	Current version	Paragraph	Article number
	<p>If the company achieves profits equal to (10%) of the remaining net profit may be distributed after deducting the precautions decided by the General Assembly in application the Cooperative Insurance Companies Control Law and after distributing a profit to shareholders of no less than (5%) of the company's paid-up capital, the entitlement to this remuneration must be proportional with the number of sessions attended by the Member, and any discretion to the contrary is void.</p> <p>In all cases, the total amount received by the member in terms of remuneration and financial or in-kind benefits does not exceed (500,000) five hundred thousand riyals annually.</p> <ol style="list-style-type: none"> 1. The maximum attendance allowances of the Board and its committees must not exceed (SR 5000) for each meeting, exclusive of the travel and accommodation expenses. 2. Each Member, including the Board Chairman, the company must be paid the actual expenditures incurred to attend the Board or its emanating committees' meetings, 	<p>hundred thousand Saudi riyals, in exchange for their membership in the Board of Directors and their participation in its work, including the additional remuneration if the member participates in any of the committees emanating from the Board of Directors.</p> <ul style="list-style-type: none"> • If the company achieves profits, an equivalent percentage (10%) of the rest of the net profit may be distributed after deducting the precautions decided by the General Assembly in the application of the provisions of the Cooperative Insurance Companies Control Law and after distributing a profit to the shareholders of not less than (5%) of the paid-up capital of the company, provided that the entitlement of this bonus is proportional to the number of sessions attended by the member, 		

Amendment	Updated Version after Proposed Amendments	Current version	Paragraph	Article number
	including the travel, accommodation and housing expenses.	<p>and each estimate to the contrary is void.</p> <ul style="list-style-type: none"> • In all cases, the total amount of remuneration and financial or in-kind benefits received by the member of the Board of Directors shall not exceed (500,000) five hundred thousand riyals annually. • The maximum allowance for attending the sessions of the Council and its committees shall be (5000) five thousand riyals for each session, excluding travel and accommodation expenses. • Each director, including the Chairman, shall be paid the actual expenses incurred by them in attending meetings of the Board or committees of the Board, including travel, subsistence, and subsistence expenses. 		
Addition	<p>Article (7): Controls for Determining and Disbursing Remuneration of Directors</p> <p>1. The remunerations must be fair and proportionate to the member's</p>			7

Amendment	Updated Version after Proposed Amendments	Current version	Paragraph	Article number
	<p>competencies, tasks and responsibilities, in addition to the goals set by the Board to be achieved during the fiscal year.</p> <ol style="list-style-type: none"> 2. Remunerations should be based on the recommendation of The Remuneration and Nomination Committee. 3. Remuneration must be commensurate with the company's activity and the skill required to manage it. 4. The company business industry, its size, and the experience of the board must be considered. 5. Remuneration must be reasonable enough to attract, incentivize and maintain qualified and experienced members. 6. The Board must propose the remuneration of its members to the General Assembly for approval, upon the recommendation of the Remunerations and Nominations Committee in accordance with regulatory regulations, instructions and with any terms approved by the General Assembly. Any remuneration and compensation for the members will not be approved unless obtained the approval from the General Assembly, Board Members may not vote on the remuneration for the members at the General Assembly meetings. 			

Amendment	Updated Version after Proposed Amendments	Current version	Paragraph	Article number
Addition	<p>Article (8): Assigning Directors with Additional Tasks or Positions at the Company</p> <p>The member may deserve a remuneration for any additional tasks or executive positions, technical, administrative, or advisory positions - under a professional license - assigned to him in the company, in addition to the remuneration that he may receive in his capacity as a member of the board of directors and in the committees formed by the board of directors, in accordance with the Companies Law and the company's articles of association.</p>			8
addition	<p>Article (9): Remuneration of Directors' Variations and Dependence on Company Profit</p> <p>a) Remunerations of the members must be of varying amounts to reflect each member's experience, specialization, assigned tasks, independence, number of meetings he attends, and any other considerations.</p> <p>b) Remunerations of the independent members must be not a percentage of the company profits, and must be not dependent whether directly or indirectly on the company's profitability.</p>			9
Addition	<p>Article (10): Disclosure of Remunerations</p> <p>If the General Assembly decides to terminate the Board Member due to his absence from three consecutive meetings or five non-consecutive</p>			10

Amendment	Updated Version after Proposed Amendments	Current version	Paragraph	Article number
	meetings without a legitimate excuse accepted by the board, such member must not be entitled to any remuneration for the period follows the last meeting he attended, and must return all paid remunerations for the period.			
Paraphrasing	<p>Article (11): Disbursement of Remunerations Based on Incorrect or Misleading Information If the Audit Committee or CMA finds that the remunerations disbursed to any member were based on incorrect or misleading information that has been submitted to the General Assembly or included in the Board Annual Report, the member must return the remunerations to the Company, also the Company can have entitled to request the member to return it.</p>	The company shall, immediately upon being aware of any misleading information provided by the executive management member to exploit the employment status to obtain undue bonuses, stop the remuneration of that person immediately upon being aware of this. The company may take the claim of that member for all undue bonuses that have been paid to him, and it may claim them with the competent authorities or within the company.		11
Paraphrasing Addition	<p>Article (12): Remunerations of Committee Members If the Audit Committee members and all the other committees' members are members in the Board or not, they must be remunerated as follows:</p> <ol style="list-style-type: none"> 1. Amount of SAR (100,000) one hundred thousand Saudi riyals for their duties as committee members regardless of the numbers of assigned committees. 2. Amount of SAR (5000) five thousand Saudi riyals for the attendance of each committee meeting. 3. Each committee member must be paid the actual expenses incurred in attended 	<p>Members of committees Members of the Audit Committee and all committees of the Board of Directors, if they are members of the Board of Directors or from outside, shall be remunerated as follows:</p> <ol style="list-style-type: none"> 1. An amount of (100,000) hundred thousand Saudi riyals for their duties in the membership of the committees. 		12

Amendment	Updated Version after Proposed Amendments	Current version	Paragraph	Article number
	meetings and to perform their duties as committee members.	<p>2. An amount of (5,000) five thousand riyals to attend each meeting of the committees.</p> <p>Committee members are also entitled to compensation for expenses incurred in attending meetings and for discharging their duties as committee members.</p>		
<p>Paraphrasing</p> <p>addition</p>	<p>Article (13): Executive Management</p> <p>Fixed Remunerations: The Company must pay the basic salary, other benefits and allowances to the Executive Management as per the job grades structure, salary levels, internal policies approved by the board, and any additional benefits or allowances that are proposed from the CEO, then discussed with the Remunerations and Nominations Committee to recommend them to the Board for approval.</p> <p>Annual Remunerations: The Board at its discretion can approve the allocate an amount to be distributed to the members of the Executive Management as an incentive, the incentive must be subject to a specific mechanism approved by the Board to ensure fairness and equity.</p> <p>Eligibility for Raise:</p>	<p>Remuneration and remuneration of executive management</p> <p>a) The Board shall determine the remuneration and remuneration of the Chief Executive Officer in the decision of his appointment. Such remuneration and remuneration shall be recorded in the contract concluded with him.</p> <p>b) The remuneration and remuneration of the management shall be based on the internal policies and procedures of the company and shall be determined based on the degree of employment granted to the member of the executive management, except for the Director of the Internal Audit</p>		13

Amendment	Updated Version after Proposed Amendments	Current version	Paragraph	Article number
	<p>The Remunerations and Nominations Committee must increase the Executive Management Members basic salary in the cases that it deems justifiable, in accordance with the internal policies.</p>	<p>Department and the Compliance Manager, whose remuneration and remuneration shall be determined by the Board based on the proposal of the Audit Committee.</p> <p>c) The remuneration and wages of the executive management shall be commensurate with the tasks, responsibilities, scientific qualifications, practical experience, skills, and level of performance.</p> <p>d) The Nomination and Remuneration Committee shall review the remuneration of the executive management periodically to ensure that it is reasonably sufficient to attract and retain competent and experienced persons and to encourage them to develop the company in the long term.</p> <p>e) In the remuneration of members of executive management, criteria related to performance must be taken into account, such as that the remuneration or part of it is related to its performance, such as the annual remuneration related to its performance towards its responsibilities and objectives.</p>		
Addition	Article (14): Disclosure of Remunerations			14

Amendment	Updated Version after Proposed Amendments	Current version	Paragraph	Article number
	The details of the remunerations must be disclosed to the board members, its committees, and the Executive Management in the Board's Annual Report, according to the regulatory regulations.			
Addition	<p>Article (15): Cases of Suspending Disbursement of Remunerations or Redeeming Remunerations</p> <p>The Company can suspend the disbursement of the remuneration or retrieval it if found out that it was decided based on inaccurate information submitted by an Executive Management Member, to prevent exploitation positions to received undeserved remuneration.</p>			15
Addition	<p>Article (16): Review of Regulations</p> <p>The policy must be reviewed periodically (biennially) as a minimum, and updated according to the regulatory regulations, the Nominations and Remunerations Committee must review and evaluate the effectiveness of this policy in line with the Company's strategy and objectives, upon to the board recommendation and General Assembly approval.</p>			16
Addition	<p>Article (17): Effectiveness</p> <p>This policy activates from the date of Ordinary General Assembly approval</p>			17

**Policy of Board Directors Remunerations, Its Emanating Committees, and the
Executive Management**

Malath Cooperative Insurance Co.

(Draft)

Version	
Classification	
Prepared By	
Reviewed By	
Approved By	
Approval Date	

Table of Contents

Article (1): Introduction

Article (2): Purpose

Article (3): Definitions

Article (4): General Standards of Remunerations

Article (5): General

Article (6): Remunerations the Board of Directors

Article (7): Controls for Determining and Disbursing Remuneration of Directors

Article (8): Assigning Directors with Additional Tasks or Positions at the Company

Article (9): Remuneration of Directors' Variations and Dependence on Company Profit

Article (10): Disclosure of Remunerations

Article (11): Disbursement of Remunerations Based on Incorrect or Misleading Information

Article (12): Remunerations of Committees Members

Article (13): Executive Management

Article (14): Disclosure of Remunerations

Article (15): Cases of Suspending Disbursement of Remunerations or Redeeming Remunerations

Article (16): Review of Regulations

Article (17): Effectiveness

Article (1): Introduction

Board Directors Remunerations policy, its Emanating Committees, and the Executive Management for the Malath Cooperative Insurance Co was established in purpose to be align with paragraph (1) Article 58 of the Corporate Governance Regulations issued by the Capital Market Authority (CMA). Also to be align with the applicable laws and regulations which issued from the other regulators in the Saudi Arabia Kingdom, and the Company's Articles of Association.

Article (2): Purpose

The policy aims to set clear remunerations standards to the members of Board, its committees and executive management, in order to determine all remuneration due to them that motivates them to perform their tasks and duties professionally to the fullest accordance with the company's Articles of Association and regulatory regulations.

Article (3): Definitions

The following words and phrases - whenever mentioned - shall have the meanings assigned to them unless the context otherwise requires:

Company: Malath Cooperative Insurance Co.

Insurance Authority: Responsible authority to regulating the insurance sector in the Saudi Arabia Kingdom.

Authority: Capital Market Authority.

Policy: Board Directors Remunerations Policy, its Emanating Committees, and the Executive Management.

Board: Malath Cooperative Insurance Co Board of Directors.

Remunerations: Amounts, allowances, profits and equivalents, coupled with periodic and annual remunerations related to the performance and short or long motivation plans, also any other in-kind benefits, except the actual expenses incurred by the company for a Board member in purpose of performing its work.

Assembly: General Assembly of Malath Cooperative Insurance Co Shareholders.

References

1. Companies Law issued by the Ministry of Commerce.
2. Implementing Regulation of the Companies Law for Listed Joint Stock Companies.

3. Company Articles of association.
4. Circulars of the Insurance Authority.
5. Corporate Governance Regulations.

Article (4): General Standards of Remunerations

Without prejudice to the Companies Laws, Company's AOA, and regulatory regulations, when the Company determines remuneration shall take into account the following:

1. The Policy shall align with the Company's strategy and objectives, to be consistent with the volume and nature of the Company's risk level.
2. The variable part of remunerations shall be taken into account to be linked with the long term performance.
3. Remunerations shall be provided in purposes of motivating the Board and the Executive Management to make the company successful and grow in the long term.
4. Remunerations shall be identified based on the job level, tasks, responsibilities, which assigned to its holder, qualifications, experiences, skills and performance level.
5. Other companies' practices of identifying remunerations shall be taken into account with avoiding what may arise of unexplained increasing of remunerations and compensations.
6. Remunerations shall aim to attract, maintain and motivate the professional competencies, Without exaggerating it
7. It shall be prepared in coordination with the Remunerations and Nominations Committee upon new appointments.
8. Regulating the granting of shares in the Company to the members of the Board and the Executive Management, whether it is a new or shares purchased by the Company.

Article (5): Generals

1. The Remuneration and Nominations Committee is responsible for preparing the remuneration policy, periodically reviewing it, and evaluating its efficiency in achieving its objectives.
2. The Board member's remunerations must be approved by the General Assembly and the details of proposed remunerations and compensations must be published to be available to all shareholders before holding the General Assembly meeting to vote on such remunerations.

Article (6): Remunerations of Directors

In accordance with Article (19) of AoA, the Board member's remunerations must be as follows:

1. The minimum annual remuneration for the Chairman and members of the Board must be (SR 200,000) two hundred thousand and the maximum must be (SR 500,000) five hundred thousand, for the Board membership and the participation in performing its works, including the additional remunerations if the Member participates in any of the committees emanating from the Board.
2. If the company achieves profits equal to (10%) of the remaining net profit may be distributed after deducting the precautions decided by the General Assembly in application the Cooperative Insurance Companies Control Law and after distributing a profit to shareholders of no less than (5%) of the company's paid-up capital, the entitlement to this remuneration must be proportional with the number of sessions attended by the Member, and any discretion to the contrary is void.

In all cases, the total amount received by the member in terms of remuneration and financial or in-kind benefits does not exceed (500,000) five hundred thousand riyals annually.

3. The maximum attendance allowances of the Board and its committees must not exceed (SR 5000) for each meeting, exclusive of the travel and accommodation expenses.
4. Each Member, including the Board Chairman, the company must be paid the actual expenditures incurred to attend the Board or its emanating committees' meetings, including the travel, accommodation and housing expenses.

Article (7): Controls for Determining and Disbursing Remuneration of Directors

1. The remunerations must be fair and proportionate to the member's competencies, tasks and responsibilities, in addition to the goals set by the Board to be achieved during the fiscal year.
2. Remunerations should be based on the recommendation of The Remuneration and Nomination Committee.
3. Remuneration must be commensurate with the company's activity and the skill required to manage it.
4. The company business industry, its size, and the experience of the board must be considered.
5. Remuneration must be reasonable enough to attract, incentivize and maintain qualified and experienced members.
6. The Board must propose the remuneration of its members to the General Assembly for approval, upon the recommendation of the Remunerations and Nominations Committee in accordance with regulatory regulations, instructions and with any terms approved by the General Assembly. Any remuneration and compensation for the members will not be

approved unless obtained the approval from the General Assembly, Board Members may not vote on the remuneration for the members at the General Assembly meetings.

Article (8): Assigning Directors with Additional Tasks or Positions at the Company

The member may deserve a remuneration for any additional tasks or executive positions, technical, administrative, or advisory positions - under a professional license - assigned to him in the company, in addition to the remuneration that he may receive in his capacity as a member of the board of directors and in the committees formed by the board of directors, in accordance with the Companies Law and the company's articles of association.

Article (9): Remuneration of Directors' Variations and Dependence on Company Profit

- a) Remunerations of the members must be of varying amounts to reflect each member's experience, specialization, assigned tasks, independence, number of meetings he attends, and any other considerations.
- b) Remunerations of the independent members must be not a percentage of the company profits, and must be not dependent whether directly or indirectly on the company's profitability.

Article (10): Disclosure of Remunerations

If the General Assembly decides to terminate the Board Member due to his absence from three consecutive meetings or five non-consecutive meetings without a legitimate excuse accepted by the board, such member must not be entitled to any remuneration for the period follows the last meeting he attended, and must return all paid remunerations for the period.

Article (11): Disbursement of Remunerations Based on Incorrect or Misleading Information

If the Audit Committee or CMA finds that the remunerations disbursed to any member were based on incorrect or misleading information that has been submitted to the General Assembly or included in the Board Annual Report, the member must return the remunerations to the Company, also the Company can have entitled to request the member to return it.

Article (12): Remunerations of Committee Members

If the Audit Committee members and all the other committees' members are members in the Board or not, they must be remunerated as follows:

1. Amount of SAR (100,000) one hundred thousand Saudi riyals for their duties as committee members regardless of the numbers of assigned committees.
2. Amount of SAR (5000) five thousand Saudi riyals for the attendance of each committee meeting.
3. Each committee member must be paid the actual expenses incurred in attended meetings and to perform their duties as committee members.

Article (13): Executive Management

Fixed Remunerations:

The Company must pay the basic salary, other benefits and allowances to the Executive Management as per the job grades structure, salary levels, internal policies approved by the board, and any additional benefits or allowances that are proposed from the CEO, then discussed with the Remunerations and Nominations Committee to recommend them to the Board for approval.

Annual Remunerations:

The Board at its discretion can approve the allocate an amount to be distributed to the members of the Executive Management as an incentive, the incentive must be subject to a specific mechanism approved by the Board to ensure fairness and equity.

Eligibility for Raise:

The Remunerations and Nominations Committee must increase the Executive Management Members basic salary in the cases that it deems justifiable, in accordance with the internal policies.

Article (14): Disclosure of Remunerations

The details of the remunerations must be disclosed to the board members, its committees, and the Executive Management in the Board's Annual Report, according to the regulatory regulations.

Article (15): Cases of Suspending Disbursement of Remunerations or Redeeming Remunerations

The Company can suspend the disbursement of the remuneration or retrieval it if found out that it was decided based on inaccurate information submitted by an Executive Management Member, to prevent exploitation positions to received undeserved remuneration.

Article (16): Review of Regulations

The policy must be reviewed periodically (biennially) as a minimum, and updated according to the regulatory regulations, the Nominations and Remunerations Committee must review and evaluate the effectiveness of this policy in line with the Company's strategy and objectives, upon to the board recommendation and General Assembly approval.

Article (17): Effectiveness

This policy activates from the date of Ordinary General Assembly approval.