



**Amend Audit Committee charter:**

- **New Audit Committee charter**
- **Old Audit Committee charter**
- **Comparison table new Audit Committee charter and old Audit Committee charter**



## BUPA ARABIA FOR COOPERATIVE INSURANCE COMPANY

### AUDIT COMMITTEE CHARTER

#### 1. Principal Role and Term

##### 1.1 Principal Role

1.1.1 The principal role of the Audit Committee (the “**AC**” or “the **Committee**”) is to assist the Board in overseeing the subsidiaries to assess overseeing the integrity of the Company’s financial reporting and the effectiveness of its internal control, audit, compliance, and risk management systems on a consolidated basis across the entire group. The responsibilities outlined below represent a high-level overview and will be further detailed in subsequent sections of this Charter. In particular, the Committee is responsible for:

1.1.1.1 Monitoring the integrity of the Company’s financial statements.

1.1.1.2 Reviewing and, where appropriate, making recommendations to the Board regarding internal financial controls, the internal audit process, and compliance functions.

1.1.1.3 Overseeing the external audit process, including the evaluation of the performance and independence of the external auditors.

1.1.1.4 Ensuring compliance with applicable laws, regulations, and corporate governance standards.

1.1.2 In performing its duties, the Committee shall maintain effective working relationships with the Board, the Management, the Compliance Department, and the Internal and External Auditors. To perform their role effectively, each Committee member shall develop and maintain their skills and knowledge, including an understanding of the Committee’s responsibilities and of the Company’s business, operations and prime business risks.

##### 1.2 Term

1.2.1 The Term of this Committee shall run concurrently with the duration of the Board’s term and will be governed by the Company's Bylaws (“**Term**”). The Term shall comply with applicable Companies Law and is subject to approval by the Board.

1.2.2 Each member shall serve on the Committee for a period of one term, which may be extended to a maximum of only one additional term. The completion of any part of any AC Term shall constitute as the completion of a full AC term, thereby limiting membership to one additional AC term only.

#### 2. Membership, Chairman and Secretary

##### 2.1 Composition and Chairman

2.1.1 The Committee is to comprise of no less than three (3) and no more than five (5) members, as recommended by the Nomination and Remuneration Committee (“**NRC**”) subject to subsequent approval by the Board and in accordance with the requirements of the Corporate Governance Regulation by the CMA.

2.1.2 The AC Chairman must be an independent Board member. The Chairman of the Board must not be a member of the AC.

2.1.3 Any person who has worked in the Company’s finance department, Executive Management, or for the Company’s External Auditors, during the preceding two (2) years, within the Company or the Group, may not be a member of the AC.

- 2.1.4 No member shall simultaneously serve on the Audit Committees of more than five (5) listed joint stock companies at the same time.
- 2.1.5 After receipt of the NRC recommendation, the AC members shall be appointed by the Board. The Board shall thereafter, having accounted for the NRC recommendation for the Chairman role, select the AC Chairman from amongst the AC members appointed by the Board.
- 2.1.6 The Board may dismiss a Committee member.
- 2.1.7 A Committee member has the right to resign, after providing the resignation request to the Board with at least one month notice before the resignation becomes effective.

## **2.2 Qualifications and Knowledge**

- 2.2.1 The Board, through the NRC, shall ensure that the members of the AC are appropriately qualified to discharge their responsibilities.
- 2.2.2 At least one (1) AC member shall have recent and relevant accounting or financial management expertise or experience.

## **2.3 Confidentiality**

All Committee members are required to sign a Confidentiality Agreement with the Company, committing to maintaining the highest confidentiality. This obligation extends to all the matters discussed during or related to the activities of the Board or Committee. The duty of confidentiality remains in effect at all times, irrespective of whether the individual is an active or former member of the Board or Committee.

## **2.4 Disclosure of Interests**

- 2.4.1 Committee members shall not have any direct or indirect interest in the Company's business and contracts concluded by it.
- 2.4.2 Committee members 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.
- 2.4.3 Each member of the Committee shall disclose to the Committee:
  - 2.4.3.1 Any personal financial interest in any matter, whether direct or indirect, in matters under consideration by the Committee. This includes, but is not limited to, business relationships and family affiliations that may influence decision-making; and
  - 2.4.3.2 Any potential conflict of interest arising from holding multiple leadership positions across different entities.
  - 2.4.3.3 All members shall abstain from voting on resolutions of the Committee in relation to which such interest exists and from participating in the discussions concerning such resolutions unless such conflict has previously been disclosed to and authorized by the Board.

## **2.5 Membership Review**

- 2.5.1 The Board shall review the membership of the Committee from time to time and approve any changes to the Committee membership, accounting for the recommendation of the NRC.
- 2.5.2 The membership of a Committee member shall be automatically terminated if any change occur that would breach the membership's terms set forth in the regulations, instructions or directives issued by the Company's

regulators. Upon such change the Committee member shall immediately inform the Company in writing, and the member shall not attend any Committee meetings held after the date of the change.

## **2.6 Secretary**

- 2.6.1 The Audit Committee approves the appointment of the Committee Secretary, from the Company's staff. The Secretary shall handle the Committee's administrative tasks, schedule the Committee's meetings in coordination with its Chairman, prepare meeting minutes and ensure that all the Committee members that attended, and the Committee Secretary, sign the minutes.
- 2.6.2 The Secretary of the AC shall not be a Secretary of any other Company Board Committee and shall not be the Company Board Secretary.

## **2.7 Committee Members Compensation**

- 2.7.1 All Board and Board Committee members are entitled to annual compensation, provided they meet the established eligibility criteria. The compensation for Board and Board Committee members shall be determined in accordance with the Member Remuneration Policies, as approved by the General Assembly. Such policies must comply with the applicable laws and regulations in Saudi Arabia and remain within the prescribed legal parameters. All Board and Board Committee members are entitled to annual compensation, provided they meet the established eligibility criteria. The compensation for Board and Board Committee members shall be determined in accordance with the Member Remuneration Policies, as approved by the General Assembly. Such policies must comply with applicable laws and regulations.
- 2.7.2 The Secretary of the AC 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 on the recommendation of the NRC.

## **3. Meetings**

### **3.1 Frequency**

- 3.1.1 Meetings shall be held not less than four (4) times a year and should preferably correspond with the Company's financial reporting cycle. The Secretary shall convene a meeting on receipt of a request by any of the Committee members, the Board, or by a related external party.
- 3.1.2 The AC meetings shall include an annual meeting with the Board.
- 3.1.3 The AC is entitled, if the need arises, to hold other meetings in response to as deemed necessary including but not limited to:

### **3.2 Upon the request of the Chairman of the Board;**

- 3.2.1 Cases in which the External Auditor, Internal Audit Department Head, Compliance Department Head requests a Committee meeting due to reason that requires so; and
- 3.2.2 Meetings on other issues such as, but not limited to: financial and audit issues, compliance issues, conflicts of interest, related party transactions, and professional and ethical codes of conduct.

### **3.3 Quorum**

The quorum of any committee meeting shall be valid if it comprises at least half of its members, in accordance with the Corporate Governance Regulation, where the Committee membership size is an even number, throughout the meeting. A member may participate by face-to-face meetings between the members, and/or by teleconference or videoconference, and be counted in the quorum and considered to have attended the meeting.

### **3.4 Attendance**

- 4.3.1 Only Committee members, and the Committee Secretary, are entitled to attend the Committee meetings. The Committee shall have the discretion to invite any other person(s) to attend all or part of any meeting, which it considers appropriate.
- 4.3.2 In the absence of the Committee Chairman, the Committee shall choose a temporary Chairman, for the Committee meeting, from the attending members.
- 4.3.3 As a minimum, the Chairman of the AC shall attend the Board meeting at which the Annual Financial Statements and Annual Board Report are approved.
- 4.3.4 A Committee member shall be deemed resigned if she or he fails to attend any meetings of the Committee more than three (3) consecutive times without presenting an excuse acceptable to the Board.
- 4.3.5 The AC shall meet with the External Auditors at least once a year without management present.
- 4.3.6 The Internal and External Auditors, Compliance and Legal representative and Risk management staff, shall be invited to make presentations to the Committee, as deemed appropriate.

### **3.5 Voting**

- 3.5.1 The Committee's decisions shall be issued by the majority of the members and in case of equal votes, the vote of the Committee's Chairman shall give preponderance, provided that the Committee meeting minutes note the view of the other member(s).
- 3.5.2 Voting on the Committee's decisions on behalf of, or by proxy, from any AC member is not allowed.

## **4. Proceedings**

### **4.1 Notice**

The Committee Secretary, or a designated representative, shall issue a notice confirming the date, time, and venue of each meeting. This notice must be provided to all Committee members and, where appropriate, to other attendees, well in advance, with a minimum notice period of ten (10) days.

### **4.2 Agenda**

The Committee Secretary, or his designated representative, shall circulate the agenda and supporting documentation to the Committee members a reasonable period in advance of each meeting (no less than ten (10) days).

### **4.3 Supporting Materials**

Supporting papers for each meeting shall be circulated by the Committee Secretary, or his designated representative, to all members of the Committee and to other attendees (if appropriate) as far in advance as possible (no less than ten (10) days).

### **4.4 Duration**

Sufficient time should be allowed to enable the Committee to undertake as full a discussion, as may be required.

### **4.5 Minutes**

- 4.5.1 The Committee Secretary shall ensure that minutes of all Committee meetings are accurately recorded, including proceedings and resolutions. The minutes must be authorized by all attending Committee members and signed by the Committee Secretary. The minutes shall include Names of all members present and in attendance, and Committee recommendations and voting results, documented as a special register.

- 4.5.2 Minutes of Committee meetings shall be circulated to members as soon as practicable, within two (2) weeks following the meeting. Once authorized by the Committee, the minutes shall also be sent to the Board along with any relevant key documents for the upcoming Board meeting, unless a conflict of interest arises.

## 5. Authorities

The Board authorizes the Committee – within the scope of its responsibilities – to perform the following functions. These responsibilities include, but are not limited to, the following:

- 5.1 Perform activities within the scope of its charter;
- 5.2 Engage an external consultant to seek assistance in doing specific tasks in order to support the Committee in performing its work, as deemed necessary;
- 5.3 Investigate any activity within its Charter and intervene if the Committee considers it appropriate and if the Board instructs it to do so;
- 5.4 Ensure the attendance of Company officers at meetings, as appropriate;
- 5.5 Directly contact the Board, as well as the Company's management, 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;
- 5.6 Have unrestricted access to relevant information, and review all private and confidential Company records and documents necessary to perform its activities;
- 5.7 Review and ratify management's proposals for the performance, appointment/re-appointment and compensation of the External Auditors, and recommendation of the same for Board approval;
- 5.8 In coordination with Executive Management, review and approve the terms and conditions of the External Auditor's engagement, including the scope of audit and related fees. The Committee shall also review and approve the policy governing the provision of non-audit services by the External Auditor and, where applicable, establish and oversee a framework for the pre-approval of such services, in accordance with Capital Market Authority's regulations
- 5.9 Delegate specific tasks in support of its functions to a competent individual or party, provided that the terms and scope of such delegation are clearly documented in the Committee's records. However, the Committee shall retain overall accountability for its functions and may not delegate any powers related to the oversight of the Internal Audit and Compliance Departments.
- 5.10 Request the Board to convene a general assembly meeting if the activities of the AC have been hindered by the Board, or if the Company has incurred significant losses or damages.

## 6. Roles, Duties and Responsibilities

- 6.1 The Committee members are accountable to the Company's regulators, shareholders and the Board for implementing the provisions of respective rules and regulations and executing the Committee's action plan issued by the Board's decision.
- 6.2 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. Members of the Committee shall perform their duties free from any external influence, whether from within or outside the Company. Committee members shall not allow their own personal interest to come before, or in conflict with, that of the Company, its shareholders, or any other Stakeholders.
- 6.3 The Committee shall:
  - 6.3.1 **Audit Committee Annual Action Plan:** Develop a comprehensive annual action plan outlining the key topics, reviews, and reports to be addressed throughout the year, along with a proposed schedule of meeting dates.

### **6.3.2 Internal Control:**

- 6.3.2.1 Prepare an Annual Audit Committee Report on the internal control systems of the Company, to be presented to the public shareholders at the general assembly meeting of the shareholders which approves the annual results, and which to be available to all shareholders at least ten (10) days before such general assembly meeting;
- 6.3.2.2 Review the effectiveness and efficiency internal control systems implemented by management for the approval of financial transactions and the recording and processing of financial data;
- 6.3.2.3 Review the controls and processes implemented by management to ensure that the financial statements derived from the underlying financial systems, comply with relevant standards and requirements and are subject to appropriate management review;
- 6.3.2.4 Evaluate the overall effectiveness of the internal control framework;
- 6.3.2.5 Review the Internal and External Auditors' assessment of internal control procedures, and consider whether recommendations made have been implemented by management;
- 6.3.2.6 Follow-up on the site visit and inspection reports issued by the Regulators and other relevant supervisory and control entities, and make recommendations thereon to the Board;
- 6.3.2.7 Ensure that controls and procedures are effective with regard to Anti-Money Laundering (AML), Counter-Terrorism Financing (CTF) and Fraud;
- 6.3.2.8 Review the adequacy and security of the Company's arrangements for its employees and contractors to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters. The Committee shall ensure that these arrangements allow proportionate and independent investigation of such matters and appropriate follow-up action;
- 6.3.2.9 Ensure the Company has a written code of conduct duly approved by its Board to ensure that the Company's activities are conducted in a fair and ethical manner;
- 6.3.2.10 Approve reviews of the overall Bupa Arabia Corporate Governance arrangements; and
- 6.3.2.11 Review, and recommend for the approval of the Board, key frameworks and policies for internal control purposes, as required by the Regulators, or as required per the Bupa Arabia Schedule of Matters Reserved for the Board and the Board approved Delegated Authorities Framework.

### **6.3.3 Financial Reporting:**

- 6.3.3.1 Review the current areas of greatest financial risk and how these are being managed;
- 6.3.3.2 Review significant accounting policies and procedures as well as the modifications that might be introduced thereto and provide opinion and recommendations to the Board thereon;
- 6.3.3.3 Review significant accounting and reporting issues, including recent professional and regulatory pronouncements and understand their impact on financial reports;
- 6.3.3.4 Review the contracts and proposed related party transactions, and providing its recommendations to the Board in connection therewith;
- 6.3.3.5 Ensure sufficient review as to support the adequacy of all significant relevant provisions in the quarterly and annual financial statements;
- 6.3.3.6 Oversee the periodic financial reporting process implemented by management, review and discuss the

annual and interim quarterly Financial Statements with the External Auditors and the Company's Executive Management prior to presentation to the Board, and give opinion and recommendation approval to the Board with respect thereto whilst ensuring their integrity, fairness and transparency;

- 6.3.3.7 Review management's process for ensuring that information contained in investor analyses and press announcements are consistent with the published financial information;
- 6.3.3.8 Ensure that significant adjustments, unadjusted differences, disagreements with management and critical accounting policies and practice are discussed with the External Auditors;
- 6.3.3.9 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 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;
- 6.3.3.10 Review the annual report section regarding the sufficiency of the internal controls, ensuring the report is made available to all shareholders in due course, before the annual results general assembly;
- 6.3.3.11 Review the AC section of the annual board report before its release and consider whether the information is understandable and consistent with members' knowledge about the Company;
- 6.3.3.12 Ensure the sufficiency, optimal use and deployment of technology solutions necessary to generate quality accurate data and reliable financial information;
- 6.3.3.13 Accurately investigate any issued raised by the Company's Chief Financial Officer, or any other person assuming his/her duties of the Company's Compliance Department Head or External Auditor;
- 6.3.3.14 Provide the technical opinion, at the request of the Board, regarding whether the Board's report and the Company's Annual Financial Statements are fair, balanced, understandable, and contain information that allows shareholders and investors to assess the Company's financial position, performance, business model, and strategy; and
- 6.3.3.15 Meet with management and the External Auditors to review the Annual Financial Statements, including the related party transactions and the key accounting policies and judgments and the Annual Board Report (ABR), and provide recommendation approval to the Board in connection therewith.

#### **6.3.4 Compliance with Rules & Regulations:**

- 6.3.4.1 Ensure the Company's compliance with the relevant laws, regulations, policies and instructions;
- 6.3.4.2 Review the effectiveness of the system for monitoring compliance with laws and regulations as they impact on financial reporting, and the results of management's investigation and follow-up (including disciplinary action) of any fraudulent acts of non-compliance;
- 6.3.4.3 Review the comments of relevant supervisory and control entities related to any regulatory violations or corrective actions requested, and make recommendations thereon for the Board;
- 6.3.4.4 Obtain updates from management as required and the Company's General Counsel regarding lawsuits that may have a material impact on the financial statements or compliance policies;
- 6.3.4.5 Follow-up on the important lawsuits filed by or against the Company and submit periodic reports thereon to the Board; and
- 6.3.4.6 Obtain assurances from the External Auditors that all regulatory compliance matters, related to the business of the Company have been considered in the preparation of the Financial Statements.

### **6.3.5 External Auditors:**

- 6.3.5.1 Obtain assurances from the External Auditors as to the professional qualifications of all staff involved in audits;
- 6.3.5.2 Verifying the independence of the External Auditor – from the Company, its Board members and its Executive and Senior management – and any potential conflicts of interest;
- 6.3.5.3 Review on an annual basis the performance of the External Auditors, assess the efficiency, effectiveness and objectivity of work performed, and make recommendations to the Board for the appointment, reappointment or termination of the External Auditors.
- 6.3.5.4 Review the External Auditors' proposed audit scope and approach for the current year in the light of the Company's present circumstances and changes in regulatory and other requirements. The Committee should approve any activity beyond the scope of the External Auditors work assigned to them during the performance of their duties;
- 6.3.5.5 Review together with the External Auditor the audit plan and make any comments thereon;
- 6.3.5.6 Discuss with the External Auditor any audit problems encountered in the normal course of audit work, including any restriction on audit scope or access to information;
- 6.3.5.7 Ensure that significant findings and recommendations made by the External Auditors and management's proposed response are received, discussed and appropriately implemented. The Committee shall make recommendations thereon for the Board;
- 6.3.5.8 Meet separately with the External Auditors to discuss any matters that the Committee or External Auditors believe should be discussed privately;
- 6.3.5.9 Ensure the External Auditors have access to the AC Chairman when required; and
- 6.3.5.10 Review policies for the provision and authorization of non-audit services by the External Auditor(s).

### **6.3.6 Internal Audit Department (IAD):**

- 6.3.6.1 Review and approve the activities, resources, organizational structure and charter of the IAD. The Committee shall ensure the independence of the IAD in performing its tasks, and ensure that there are no restrictions or any impediments that might adversely impact its scope of work;
- 6.3.6.2 Approve the appointment, promotion or dismissal of the IAD Head, through recommending to the Board, after obtaining the IA's written non-objection, as applicable;
- 6.3.6.3 Determine the monthly salary, bonus and other remuneration of the IAD in accordance with the Company's internal human resources policies as approved by the Board;
- 6.3.6.4 Review the efficiency, effectiveness and objectivity of the Internal Audit function and ensure that it has appropriate standing within the Company;
- 6.3.6.5 Review the effectiveness of the IAD Head position and ensure that it has the appropriate level of seniority;
- 6.3.6.6 Meet with the IAD Head to discuss any matters that the Committee or Internal Auditors believe should be discussed;
- 6.3.6.7 Ensure that significant findings and recommendations made by the Internal Auditors and management's proposed response are received, discussed and appropriately acted on. The related recommendations

shall be submitted to the Board;

- 6.3.6.8 Review and approve the proposed Internal Audit plan for the coming year and ensure that it addresses key areas of risk and that there is appropriate co-ordination with the External Auditors; and
- 6.3.6.9 The Company shall keep records of the audit reports and business documents, which shall clarify its accomplishments, findings and recommendations, and all actions taken.

**6.3.7 Compliance Department (COD):**

- 6.3.7.1 Review the activities, resources and structure of COD. The Committee shall ensure the independence of the COD in performing its tasks, and ensure that there are no restrictions or any impediments that might adversely impact its scope of work;
- 6.3.7.2 Approve the appointment, promotion or dismissal of the COD Head, through recommending to the Board, after obtaining Company Regulators' written non-objection;
- 6.3.7.3 Determine the monthly salary, bonus and other remuneration of the COD in accordance with the Company's internal human resources policies as approved by the Board;
- 6.3.7.4 Review the efficiency, effectiveness and objectivity of the Compliance function and ensure that it has appropriate standing within the Company;
- 6.3.7.5 Review the effectiveness of the COD Head position and ensure that it has the appropriate level of seniority;
- 6.3.7.6 Meet with the COD Head to discuss any matters that the Committee or External Auditors believe should be discussed;
- 6.3.7.7 Ensure that significant findings and recommendations made by the COD and management's proposed response are received, discussed and appropriately acted on. The Committee shall make recommendations thereon for the Board; and
- 6.3.7.8 Review and approve the proposed Compliance inspection plan for the coming year and ensure that it addresses key areas of compliance.

**6.3.8 Risk Management:**

- 6.3.8.1 Developing a strategy and comprehensive policies for risk management that are consistent with the nature and volume of the Company's activities, monitoring their implementation, and reviewing and updating them based on the Company's internal and external changing factors;
- 6.3.8.2 determining and maintaining an acceptable level of risk that may be faced by the Company and ensuring that the Company does not go beyond such level;
- 6.3.8.3 ensuring the feasibility of the Company continuation, the successful continuity of its activities and determining the risks that threaten its existence during the following twelve (12) months;
- 6.3.8.4 overseeing the Company's risk management system and assessing the effectiveness of the systems and mechanisms for determining and monitoring the risks that threaten the Company in order to determine areas of inadequacy therein;
- 6.3.8.5 regularly reassessing the Company's ability to take risks and be exposed to such risks (through stress tests as an example);
- 6.3.8.6 preparing detailed reports on the exposure to risks and the recommended measures to manage such risks,

and presenting them to the Board;

- 6.3.8.7 providing recommendations to the Board on matters related to risk management;
- 6.3.8.8 ensuring the availability of adequate resources and systems for risk management;
- 6.3.8.9 reviewing the organizational structure for risk management and providing recommendations regarding the same before approval by the Board;
- 6.3.8.10 verifying the independence of the risk management employees from activities that may expose the Company to risk; and
- 6.3.8.11 ensuring that the risk management employees understand the risks threatening the Company and seeking to raise awareness of the culture of risk.

## **7. Reporting and Evaluating Performance Responsibilities**

### **7.1 The Board**

- 7.1.1 The Committee Chairman (or a Committee member nominated by the Committee Chairman) shall report to the Board on the proceedings of the Committee meetings (in the subsequent Board meeting), and make appropriate recommendations;
- 7.1.2 The AC shall ensure the Board is aware of matters that may significantly impact the financial condition or affairs of the business;
- 7.1.3 The AC shall prepare any reports required by law or listing rules requested by the Board, for example a report on the AC's activities and duties to be included in the section on corporate governance in the ABR; and
- 7.1.4 If a conflict arises between the recommendations of the Audit Committee and the Board, or if the Board refuses to put the committee's recommendations into action as to the appointment or dismissal of the company's external auditor or determining its remuneration, assessing its performance or appointing the internal auditor, the Board's Annual Board Report shall include the Committee's recommendations and justifications, and the Board's reasons for not following the Committee's recommendations.

### **7.2 Recommendations**

The Committee shall make whatever recommendations the Board considers appropriate on any area within its remit where action or improvement is necessary.

### **7.3 Committee Report**

The Committee shall assist the Board by preparing a statement for inclusion in the Company's Annual Report describing the role and responsibilities of the Committee and actions taken by the Committee during the relevant period to discharge those responsibilities.

### **7.4 General Assembly Meetings**

- 7.4.1 The Chairman of the Committee, or Committee member delegated by the Chairman if applicable, must attend the Company's general assembly Meeting(s) so as to be available to respond to any questions of the Shareholders on the Committee's activities and areas of responsibility.
- 7.4.2 The AC Chairman shall, in accordance with the regulatory requirements, read the Annual Committee Report, on the Company's internal control systems, to the general assembly which approves the annual results.
- 7.4.3 The Boards must call a meeting of the ordinary general assembly upon the request of the Audit Committee.

## 7.5 Evaluation of Performance

The Committee shall evaluate the extent to which it has fulfilled the duties outlined in this Charter and report the findings to the Board. The Committee shall support the NRC, and/or the Board, in the evaluation of the Committee's, and/or the Committee's members' performance, as and when required.

## 8. Review of the Committee Charter

8.1 The Committee shall develop, implement and review its own Charter annually and shall thereafter recommend its revised Charter for the Board's approval. Thereafter, the Committee shall ensure that the revised Charter is approved by the Board, and by regulator(s) and/or public shareholders, as required.

8.2 The Committee shall make available the Charter (explaining the role and the authority delegated to it by the Board) on request and by including the information on the Company's website.

## 9. Other Matters

The Committee shall undertake any other projects, as requested by the Board.

## 10. Delegation of Authority

The Delegation of Authority (“**DOA**”) is intended to be an integral part of the governance and internal control system of the Company. The document outlines guidelines for the authorization and empowerment, at appropriate levels, of decisions having financial implications or impacting the interests of Bupa Arabia. The DOA captures all delegated authorities to the Board and its committees, the CEO, the CET, and the employees of the Company. The DOA shall be the main document to establish the delegated authorities and it shall take precedence over any other document.

## 11. Corporate Governance Standards

11.1 Company Corporate Governance Standards are defined in the Company Code of Corporate Governance. These standards apply to the Committee and are reflected within this Charter to ensure alignment with the broader corporate governance framework. AC Charter and its required separate general assembly meeting agenda item approval process, i.e. together with the AC members' appointment for each term, are repeated here for ease of shareholder and regulatory reference.

11.2 Bupa Arabia is committed to implementing and adhering to robust Corporate Governance standards, in accordance with internationally recognized best corporate governance practice, to ensure it succeeds in fulfilling, through its Corporate Governance Framework, Code of Corporate Governance, Board and Board Committees, the five key elements of Corporate Governance:

11.2.1 Strong Commitment to Corporate Governance;

11.2.2 Strong Commitment to world class Board Practices;

11.2.3 Appropriate Control Environments and Processes;

11.2.4 Strong Regime of Disclosure and Transparency; and

11.2.5 Protection of all shareholders' rights, including minority shareholders.

## 12. Definitions

The standard Company definitions, and acronyms, applicable throughout the Corporate Governance Framework (CGF), Code of Corporate Governance (CCG), and the Board and Board Committees' Charters, are defined within the “Definitions and Acronyms” section of the Company CCG.



## BUPA ARABIA FOR COOPERATIVE INSURANCE COMPANY AUDIT COMMITTEE CHARTER

### 1. Constitution, Principal Role and Term

#### 1.1 Constitution

This Charter was originally constituted established by the Board in 2009, and subsequently approved by the shareholders, including all amendments adopted from time to time. This current version has been updated to ensure compliance with applicable regulatory requirements as set forth by the Capital Market Authority (“CMA”), the Insurance Authority (“IA”), and other relevant regulatory bodies. The revisions reflect the Company’s ongoing commitment to the highest standards of ethical conduct, governance, and operational integrity.

This version was approved by the Board of Directors on 20 May 2025, subject to obtaining any required regulatory approvals and, where applicable, the approval of the shareholders on 30 June 2025

#### 1.2 Principal Role

**1.2.1** The principal role of the Audit Committee (“AC” or “the Committee”) is to assist the Board in overseeing the integrity of the Company’s financial reporting and the effectiveness of its internal control, audit, compliance, and risk management systems. The responsibilities outlined below represent a high-level overview and will be further detailed in subsequent sections of this Charter. In particular, the Committee is responsible for:

**1.2.1.1** Monitoring the integrity of the Company’s financial statements.

**1.2.1.2** Reviewing and, where appropriate, making recommendations to the Board regarding internal financial controls, the internal audit process, and compliance functions.

**1.2.1.3** Overseeing the external audit process, including the evaluation of the performance and independence of the external auditors.

**1.2.1.4** Coordinating with the Risk Management Committee (“RMC”) to ensure the adequacy and effectiveness of the Company’s risk management framework, especially as it pertains to financial reporting and the Code of Business Conduct.

**1.2.1.5** Ensuring compliance with applicable laws, regulations, and corporate governance standards.

**1.2.2** In performing its duties, the Committee shall maintain effective working relationships with the Board, the RMC, the Management, the Compliance Department, and the Internal and External Auditors. To perform their role effectively, each Committee member shall develop and maintain their skills and knowledge, including an understanding of the Committee’s responsibilities and of the Company’s business, operations and prime business risks.

### 1.3 Term

- 1.3.1 The Term of this Committee shall run concurrently with the duration of the Board's term and will be governed by the Company's By-Laws ("**Term**"). The Term shall comply with applicable Companies Law and is subject to approval by the Board.
- 1.3.2 Each member shall serve on the Committee for a period of one term, which may be extended for a maximum of only one additional term, subject to the Board Approval and non-objection of the IA. The completion of any part of any AC Term shall constitute as the completion of a full AC term, thereby limiting membership to one additional AC term only.

## 2. Membership, Chairman and Secretary

### 2.1 Composition and Chairman

- 2.1.1 The Committee is to comprise of no less than three (3) and no more than five (5) members, as recommended by the Nomination and Remuneration Committee ("**NRC**") subject to subsequent approval by the Board and the applicable regulatory authority and in accordance with the requirements of the Audit Committee Regulation in Insurance and/or Reinsurance Companies issued by the Insurance Authority ("**IA**") and the Corporate Governance Regulation by the CMA.
- 2.1.2 The AC Chairman must be an independent Board member or may be an independent person provided the written non-objection was received from the IA. The majority of the Committee's members must be Independent. The Chairman of the Board must not be a member of the AC.
- 2.1.3 Any person who has worked in the Company's Finance department, or its Executive Management, or for the Company's External Auditors, during the preceding two (2) years, may not be a member of the AC.
- 2.1.4 AC members shall not be a member of a Board or any Board Committee of any other company competing in the insurance sector in the Kingdom of Saudi Arabia.
- 2.1.5 No member shall simultaneously serve on the Audit Committees of more than four (4) listed joint stock companies at the same time, in accordance with Clause 38, Article 3, Part 4 of the Audit Committee Regulation in Insurance and/or Reinsurance Companies issued by the the Insurance Authority (IA).
- 2.1.6 After receipt of the regulatory non-objection(s), and after accounting for the NRC recommendation, the AC members shall be appointed by the Board. The Board shall thereafter, having accounted for the NRC recommendation for the Chairman role, select the AC Chairman from amongst the AC members appointed by the Board, subject to thereafter obtaining the regulatory required written non-objection.
- 2.1.7 The Chairman of the AC shall not be related to the other members of the Board or have any financial or business relationship with any members of the Board.
- 2.1.8 The Chairman of the AC shall not have a relationship with the Executive and Senior Management of the Company that could affect his independence.

- 2.1.9** The Board, after obtaining the IA's written non-objection, may dismiss a Committee member if she or he ceases to satisfy membership terms or violates the provisions of the applicable rules and regulations.
- 2.1.10** A Committee member has the right to resign, after providing the resignation request to the Board with at least one month notice before the resignation becomes effective. The Company shall notify the IA of the resignation of a Committee member, the reasons thereof, and provide the IA with such information within five business days, in accordance with the Audit Committee Regulation in Insurance and/or Reinsurance Companies.
- 2.1.11** In the case of a Committee vacancy, or addition, during the term, the Board, after accounting for the NRC recommendation, and after obtaining the IA's written non-objection, where applicable, shall appoint the new Committee member, within a month of the vacancy date, to fill the vacant position, and the new member shall complete the term. The appointment of the replacement, or new additional, AC member shall be approved by the Board.

## **2.2 Knowledge**

- 2.2.1** The Board, through the NRC, shall ensure that the members of the AC are appropriately qualified to discharge their responsibilities.
- 2.2.2** At least one (1) AC member and the AC Chairman, shall have recent and relevant accounting or financial management expertise or experience.

## **2.3 Confidentiality**

All Committee members are required to sign a Confidentiality Agreement with the Company, committing to maintain the highest confidentiality. This obligation extends to all the matters discussed during or related to the activities of the Board or Committee. The duty of confidentiality remains in effect at all times, irrespective of whether the individual is an active or former member of the Board or Committee.

## **2.4 Disclosure of Interests**

- 2.4.1** Committee members shall not have any direct or indirect interest in the Company's business and contracts concluded by it.
- 2.4.2** Committee members 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.
- 2.4.3** Each member of the Committee shall disclose to the Committee:
  - 2.4.3.1** Any personal financial interest in any matter, whether direct or indirect, in matters under consideration by the Committee. This includes, but is not limited to, business relationships and family affiliations that may influence decision-making.; and
  - 2.4.3.2** Any potential conflict of interest arising from holding multiple leadership positions across different entities.
- 2.4.4** All members shall abstain from voting on resolutions of the Committee in relation to which such interest exists and from participating in the discussions concerning such resolutions unless such conflict has previously been disclosed to and authorized by the Board.

- 2.4.5** The Company shall neither issue nor renew any insurance policy for AC's members or their related parties until the full premium has been paid. If an AC member submits a claim under a policy issued by the Company, such claims must be processed strictly in accordance with the Company's established procedures and rules, without any exception or preference. The Compliance Department Head should be notified of any health insurance claims payment due to any AC member.

## **2.5 Membership Review**

- 2.5.1** The Board shall review the membership of the Committee from time to time and approve any changes to the Committee membership, accounting for the recommendation of the NRC.
- 2.5.2** The membership of a Committee member shall be automatically terminated if any change occur that would breach the membership's terms set forth in the regulations, instructions or directives issued by the Company's regulators. Upon such change the Committee member shall immediately inform the Company in writing ,and the member shall not attend any Committee meetings held after the date of the change.

## **2.6 Secretary**

- 2.6.1** The Audit Committee approves the appointment of the Audit Committee Secretary, from the Company's staff. The Secretary shall handle the Committee's administrative tasks, schedule the Committee's meetings in coordination with its Chairman, prepare meeting minutes and ensure that all the Committee members that attended, and the Committee Secretary, sign the minutes.
- 2.6.2** The Secretary of the AC shall not be a Secretary of any other Company Board Committee and shall not be the Company Board Secretary.

## **2.7 Committee Members Compensation**

- 2.7.1** All Board and Board Committee members are entitled to annual compensation, provided they meet the established eligibility criteria. The compensation for Board and Board Committee members shall be determined in accordance with the Member Remuneration Policies, as approved by the General Assembly. Such policies must comply with the applicable laws and regulations in Saudi Arabia and remain within the prescribed legal parameters. All Board and Board Committee members are entitled to annual compensation, provided they meet the established eligibility criteria. The compensation for Board and Board Committee members shall be determined in accordance with the Member Remuneration Policies, as approved by the General Assembly. Such policies must comply with applicable laws and regulations.
- 2.7.2** The Secretary of the AC 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 on the recommendation of the NRC.
- 2.7.3**

### **3. Meetings**

#### **3.1 Frequency**

- 3.1.1** Meetings shall be held not less than six (6) times a year and should preferably correspond with the Company's financial reporting cycle. The Secretary shall convene a meeting on receipt of a request by one (1) of the Committee members, the Board, or by a related external party.
- 3.1.2** The AC meetings shall include an annual meeting with the Board.
- 3.1.3** The AC is entitled, if the need arises, to hold other meetings in response to as deemed necessary including but not limited to:
  - 3.1.3.1** Upon the request of the Chairman of the Board;
  - 3.1.3.2** Cases in which the External Auditor, Internal Audit Department Head, Compliance Department Head or Actuary requests a Committee meeting due to reason that requires so; and
  - 3.1.3.3** Meetings on other issues such as, but not limited to: financial and audit issues, compliance issues, conflicts of interest, related party transactions, and professional and ethical codes of conduct.

#### **3.2 Quorum**

The quorum of any committee meeting shall be valid if it comprises at least half of its members, in accordance with the Audit Committee Regulation in Insurance Authority, where the Committee membership size is an even number, throughout the meeting. A member may participate by face-to-face meetings between the members, and/or by teleconference or videoconference, and be counted in the quorum and considered to have attended the meeting.

#### **3.3 Attendance**

- 3.3.1** Only Committee members, and the Committee Secretary, are entitled to attend the Committee meetings. The Committee shall have the discretion to invite any other person(s) to attend all or part of any meeting, which it considers appropriate.
- 3.3.2** In the absence of the Committee Chairman, the Committee shall choose a temporary Chairman, for the Committee meeting, from the attending members.
- 3.3.3** As a minimum, the Chairman of the AC shall attend the Board meeting at which the Annual Financial Statements and Annual Board Report are approved.
- 3.3.4** A Committee member shall be deemed resigned if she or he fails to attend any meetings of the Committee more than three (3) consecutive times without presenting an excuse acceptable to the Board.
- 3.3.5** The AC shall meet with the External Auditors at least once a year without management present.
- 3.3.6** The Internal and External Auditors, Compliance and Legal representative and Risk management staff, shall be invited to make presentations to the Committee, as deemed appropriate.

### **3.4 Voting**

- 3.4.1** The Committee's decisions shall be issued by the majority of the members and in case of equal votes, the vote of the Committee's Chairman shall give preponderance, provided that the Committee meeting minutes note the view of the other member(s).
- 3.4.2** Voting on the Committee's decisions on behalf of, or by proxy, from any AC member is not allowed.

## **4. Proceedings**

### **4.1 Notice**

The Committee Secretary, or a designated representative, shall issue a notice confirming the date, time, and venue of each meeting. This notice must be provided to all Committee members and, where appropriate, to other attendees, well in advance, with a minimum notice period of ten (10) days.

### **4.2 Agenda**

The Committee Secretary, or his designated representative, shall circulate the agenda and supporting documentation to the Committee members a reasonable period in advance of each meeting (no less than ten (10) days).

### **4.3 Supporting Materials**

Supporting papers for each meeting shall be circulated by the Committee Secretary, or his designated representative, to all members of the Committee and to other attendees (if appropriate) as far in advance as possible (no less than ten (10) days).

### **4.4 Duration**

Sufficient time should be allowed to enable the Committee to undertake as full a discussion, as may be required.

### **4.5 Minutes**

- 4.5.1** The Committee Secretary shall ensure that minutes of all Committee meetings are accurately recorded, including proceedings and resolutions. The minutes must be authorized by all attending Committee members and signed by the Committee Secretary. The minutes shall include Names of all members present and in attendance, and Committee recommendations and voting results, documented as a special register.
- 4.5.2** Minutes of Committee meetings shall be circulated to members as soon as practicable, within two (2) weeks following the meeting. Once authorized by the Committee, the minutes shall also be sent to the Board along with any relevant key documents for the upcoming Board meeting, unless a conflict of interest arises.

## **5. Authorities**

The Board authorizes the Committee – within the scope of its responsibilities – to perform the following functions. These responsibilities include, but are not limited to, the following:

- 5.1** Perform activities within the scope of its charter;

- 5.2 Engage an external consultant to seek assistance in doing specific tasks in order to support the Committee in performing its work, as deemed necessary;
- 5.3 Investigate any activity within its Charter and intervene if the Committee considers it appropriate and if the Board instructs it to do so;
- 5.4 Ensure the attendance of Company officers at meetings, as appropriate;
- 5.5 Directly contact the Board, as well as the Company's management, 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;
- 5.6 Have unrestricted access to relevant information, and review all private and confidential Company records and documents necessary to perform its activities;
- 5.7 Review and ratify management's proposals for the performance, appointment/re-appointment and compensation of the External Auditors, and recommendation of the same for Board approval;
- 5.8 In coordination with Executive Management, review and approve the terms and conditions of the External Auditor's engagement, including the scope of audit and related fees. The Committee shall also review and approve the policy governing the provision of non-audit services by the External Auditor and, where applicable, establish and oversee a framework for the pre-approval of such services, in accordance with Capital Market Authority's regulations
- 5.9 Delegate specific tasks in support of its functions to a competent individual or party, provided that the terms and scope of such delegation are clearly documented in the Committee's records. However, the Committee shall retain overall accountability for its functions and may not delegate any powers related to the oversight of the Internal Audit and Compliance Departments.
- 5.10 Request the Board to convene a GA meeting if the activities of the AC have been hindered by the Board, or if the Company has incurred significant losses or damages.

## 6. Roles, Duties and Responsibilities

- 6.1 The Committee members are accountable to the Company's regulators, shareholders and the Board for implementing the provisions of respective rules and regulations and executing the Committee's action plan issued by the Board's decision.
- 6.2 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. Members of the Committee shall perform their duties free from any external influence, whether from within or outside the Company. Committee members shall not allow their own personal interest to come before, or in conflict with, that of the Company, its shareholders, or any other Stakeholders.

### 6.3 The Committee shall:

#### 6.3.1 **Audit Committee Annual Action Plan:**

- 6.3.1.1 Develop a comprehensive annual action plan outlining the key topics, reviews, and reports to be addressed throughout the year, along with a proposed schedule of meeting dates.

#### 6.3.2 **Internal Control:**

- 6.3.3 Prepare an Annual Audit Committee Report on the internal control systems of the Company, which to be presented to the public shareholders at the GA meeting of the shareholders which approves the

annual results, and which to be available to all shareholders at least ten (10) days before such GA meeting;

- 6.3.4** Review the effectiveness and efficiency internal control systems implemented by management for the approval of financial transactions and the recording and processing of financial data;
- 6.3.5** Review the controls and processes implemented by management to ensure that the financial statements derived from the underlying financial systems, comply with relevant standards and requirements and are subject to appropriate management review;
- 6.3.6** Evaluate the overall effectiveness of the internal control framework.
- 6.3.7** Review the Internal and External Auditors' assessment of internal control procedures, and consider whether recommendations made have been implemented by management;
- 6.3.8** Follow-up on the site visit and inspection reports issued by the Regulators and other relevant supervisory and control entities, and make recommendations thereon to the Board;
- 6.3.9** Ensure that controls and procedures are effective with regard to Anti-Money Laundering (AML), Counter-Terrorism Financing (CTF) and Fraud;
- 6.3.10** Review the adequacy and security of the Company's arrangements for its employees and contractors to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters. The Committee shall ensure that these arrangements allow proportionate and independent investigation of such matters and appropriate follow-up action;
- 6.3.11** Ensure the Company has a written code of conduct duly approved by its Board to ensure that the Company's activities are conducted in a fair and ethical manner;
- 6.3.12** Approve reviews of the overall Bupa Arabia Corporate Governance arrangements, in coordination with the RMC; and
- 6.3.13** Review, and recommend for the approval of the Board, key frameworks and policies for internal control purposes, as required by the Regulators, or as required per the Bupa Arabia Schedule of Matters Reserved for the Board and the Board approved Delegated Authorities Framework.

#### **6.4 Financial Reporting:**

- 6.4.1** With the support of the RMC, review the current areas of greatest financial risk and how these are being managed;
- 6.4.2** Review significant accounting policies and procedures as well as the modifications that might be introduced thereto and provide opinion and recommendations to the Board thereon;
- 6.4.3** Review significant accounting and reporting issues, including recent professional and regulatory pronouncements and understand their impact on financial reports;
- 6.4.4** Review the contracts and proposed Related Party transactions, and providing its recommendations to the Board in connection therewith.
- 6.4.5** Have oversight of the Actuarial capability, providing an annual written report to the Bupa Arabia Board validating the appropriateness of current actuarial methodologies/models, the adequacy of the overall underwriting/pricing policies and the adequacy of re-insurance;
- 6.4.6** Ensure the Company's compliance with the Actuary's proposals and recommendations, where these are mandatory and required by regulations or Regulators' instructions;
- 6.4.7** Ensure sufficient review as to support the adequacy of all significant relevant provisions in the quarterly and annual financial statements;
- 6.4.8** Oversee the periodic financial reporting process implemented by management, review and discuss the annual and interim quarterly Financial Statements with the External Auditors and the Company's

Executive Management prior to presentation to the Board, and give opinion and recommendation approval to the Board with respect thereto whilst ensuring their integrity, fairness and transparency;

- 6.4.9** Review management's process for ensuring that information contained in analyst briefings and press announcements is consistent with the published financial information;
- 6.4.10** Meet with management and the External Auditors to review the Annual Financial Statements, including the related party transactions and the key accounting policies and judgments and the Annual Board Report (ABR), and provide recommendation approval to the Board in connection therewith;
- 6.4.11** Ensure that significant adjustments, unadjusted differences, disagreements with management and critical accounting policies and practice are discussed with the External Auditors;
- 6.4.12** 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 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.
- 6.4.13** Review the annual report section regarding the sufficiency of the internal controls, ensuring the report is made available to all shareholders in due course, before the annual results GA;
- 6.4.14** Review the AC section of the annual board report before its release and consider whether the information is understandable and consistent with members' knowledge about the Company; and
- 6.4.15** Ensure the sufficiency, optimal use and deployment of technology solutions necessary to generate quality accurate data and reliable financial information.
- 6.4.16** Accurately investigate any issued raised by the Company's Chief Financial Officer, or any other person assuming his/her duties of the Company's Compliance Department Head or External Auditor;
- 6.4.17** Provide the technical opinion, at the request of the Board, regarding whether the Board's report and the Company's Annual Financial Statements are fair, balanced, understandable, and contain information that allows shareholders and investors to assess the Company's financial position, performance, business model, and strategy.

#### **6.5 Compliance with Rules & Regulations:**

- 6.5.1** Ensure the Company's compliance with the relevant laws, regulations, policies and instructions;
- 6.5.2** Review the effectiveness of the system for monitoring compliance with laws and regulations as they impact on financial reporting, and the results of management's investigation and follow-up (including disciplinary action) of any fraudulent acts of non-compliance;
- 6.5.3** Review the comments of relevant supervisory and control entities related to any regulatory violations or corrective actions requested, and make recommendations thereon for the Board;
- 6.5.4** Obtain updates from management as required and the Company's General Counsel regarding lawsuits that may have a material impact on the financial statements or compliance policies;
- 6.5.5** Follow-up on the important lawsuits filed by or against the Company and submit periodic reports thereon to the Board; and
- 6.5.6** Obtain assurances from the External Auditors that all regulatory compliance matters, related to the business of the Company have been considered in the preparation of the Financial Statements.

#### **6.6 External Auditors:**

- 6.6.1** Obtain assurances from the External Auditors as to the professional qualifications of all staff involved in audits;
- 6.6.2** Verifying the independence of the External Auditor – from the Company, its Board members and its Executive and Senior management – and any potential conflicts of interest;

Bupa Arabia Audit Committee Charter

Version: **8**

Document Owner: Audit Committee Secretary

Board Approval Date: **20 May 2025**

General Assembly Meeting Approval Date: **30 June 2025**

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- 6.6.3** Review on an annual basis the performance of the External Auditors, assess the efficiency, effectiveness and objectivity of work performed, and make recommendations to the Board for the appointment, reappointment or termination of the External Auditors. This may include ensuring that the nominated External Auditors have the necessary experience in auditing Insurance and/or Reinsurance Companies;
- 6.6.4** Review the External Auditors' proposed audit scope and approach for the current year in the light of the Company's present circumstances and changes in regulatory and other requirements. The Committee should approve any activity beyond the scope of the External Auditors work assigned to them during the performance of their duties;
- 6.6.5** Review together with the External Auditor the audit plan and make any comments thereon;
- 6.6.6** Discuss with the External Auditor any audit problems encountered in the normal course of audit work, including any restriction on audit scope or access to information;
- 6.6.7** Ensure that significant findings and recommendations made by the External Auditors and management's proposed response are received, discussed and appropriately implemented. The Committee shall make recommendations thereon for the Board;
- 6.6.8** Meet separately with the External Auditors to discuss any matters that the Committee or External Auditors believe should be discussed privately;
- 6.6.9** Ensure the External Auditors have access to the AC Chairman when required; and
- 6.6.10** Review policies for the provision and authorization of non-audit services by the External Auditor(s).

#### **6.7 Internal Audit Department (IAD):**

- 6.7.1** Review and approve the activities, resources, organizational structure and charter of the IAD. The Committee shall ensure the independence of the IAD in performing its tasks, and ensure that there are no restrictions or any impediments that might adversely impact its scope of work;
- 6.7.2** Approve the appointment, promotion or dismissal of the IAD Head, through recommending to the Board, after obtaining the IA's written non-objection, as applicable;
- 6.7.3** Determine the monthly salary, bonus and other remuneration of the IAD in accordance with the Company's internal human resources policies as approved by the Board;
- 6.7.4** Review the efficiency, effectiveness and objectivity of the Internal Audit function and ensure that it has appropriate standing within the Company;
- 6.7.5** Review the effectiveness of the IAD Head position and ensure that it has the appropriate level of seniority;
- 6.7.6** Meet with the IAD Head to discuss any matters that the Committee or Internal Auditors believe should be discussed;
- 6.7.7** Ensure that significant findings and recommendations made by the Internal Auditors and management's proposed response are received, discussed and appropriately acted on. The related recommendations shall be submitted to the Board; and
- 6.7.8** Review and approve the proposed Internal Audit plan for the coming year and ensure that it addresses key areas of risk and that there is appropriate co-ordination with the External Auditors.
- 6.7.9** The Company shall keep records of the audit reports and business documents, which shall clarify its accomplishments, findings and recommendations, and all actions taken.

#### **6.8 Compliance Department (COD):**

Bupa Arabia Audit Committee Charter  
 Version: **8**  
 Document Owner: Audit Committee Secretary  
 Board Approval Date: **20 May 2025**  
 General Assembly Meeting Approval Date: **30 June 2025** ©  
 Bupa Arabia for Cooperative Insurance Company

- 6.8.1** Review the activities, resources and structure of COD. The Committee shall ensure the independence of the COD in performing its tasks, and ensure that there are no restrictions or any impediments that might adversely impact its scope of work;
- 6.8.2** Approve the appointment, promotion or dismissal of the COD Head, through recommending to the Board, after obtaining Company Regulators' written non-objection;
- 6.8.3** Determine the monthly salary, bonus and other remuneration of the COD in accordance with the Company's internal human resources policies as approved by the Board;
- 6.8.4** Review the efficiency, effectiveness and objectivity of the Compliance function and ensure that it has appropriate standing within the Company;
- 6.8.5** Review the effectiveness of the COD Head position and ensure that it has the appropriate level of seniority;
- 6.8.6** Meet with the COD Head to discuss any matters that the Committee or External Auditors believe should be discussed;
- 6.8.7** Ensure that significant findings and recommendations made by the COD and management's proposed response are received, discussed and appropriately acted on. The Committee shall make recommendations thereon for the Board; and
- 6.8.8** Review and approve the proposed Compliance inspection plan for the coming year and ensure that it addresses key areas of compliance.

## **7. Reporting and Evaluating Performance Responsibilities**

### **7.1 The Board**

- 7.1.1** The Committee Chairman (or a Committee member nominated by the Committee Chairman) shall report to the Board on the proceedings of the Committee meetings (in the subsequent Board meeting), and make appropriate recommendations;
- 7.1.2** The AC shall ensure the Board is aware of matters that may significantly impact the financial condition or affairs of the business; and
- 7.1.3** The AC shall prepare any reports required by law or listing rules requested by the Board, for example a report on the AC's activities and duties to be included in the section on corporate governance in the ABR.
- 7.1.4** If a conflict arises between the recommendations of the Audit Committee and the Board, or if the Board refuses to put the committee's recommendations into action as to the appointment or dismissal of the company's external auditor or determining its remuneration, assessing its performance or appointing the internal auditor, the Board's Annual Board Report shall include the Audit Committee's recommendations and justifications, and the Board's reasons for not following the Audit Committee's recommendations.

### **7.2 Recommendations**

The Committee shall make whatever recommendations the Board it considers appropriate on any area within its remit where action or improvement is necessary.

### **7.3 Committee Report**

The Committee shall assist the Board by preparing a statement for inclusion in the Company's Annual Report describing the role and responsibilities of the Committee and actions taken by the Committee during the relevant period to discharge those responsibilities.

#### **7.4 General Assembly (GA) Meetings**

**7.4.1** The Chairman of the Committee, or Committee member delegated by the Chairman if applicable, must attend the Company's GA Meeting(s) so as to be available to respond to any questions of the Shareholders on the Committee's activities and areas of responsibility.

**7.4.2** The AC Chairman shall, in accordance with the regulatory requirements, read the Annual Audit Committee Report, on the Company's internal control systems, to the GA which approves the annual results.

**7.4.3** The Boards must call a meeting of the ordinary general assembly upon the request of the Audit Committee.

#### **7.5 Evaluation of Performance**

The Committee shall evaluate the extent to which it has fulfilled the duties outlined in this Charter and report the findings to the Board. The Committee shall support the NRC, and/or the Board, in the evaluation of the Committee's, and/or the Committee's members' performance, as and when required.

### **8. Review of the Committee Charter**

**8.1** The Committee shall develop, implement and review its own Charter annually and shall thereafter recommend its revised Charter for the Board's approval.

**8.2** Thereafter, the Committee shall ensure that the revised Charter is approved by the Board, and if necessary by Bupa Arabia's regulator(s) and/or public shareholders, as required.

**8.3** The Committee shall make available the Charter (explaining the role and the authority delegated to it by the Board) on request and by including the information on the Company's website.

### **9. Other Matters**

The Committee shall undertake any other projects, as requested by the Board.

### **10. Delegation of Authority**

The Delegation of Authority ("DOA") is intended to be an integral part of the governance and internal control system of Bupa Arabia for Cooperative Insurance Company. The document outlines guidelines for the authorization and empowerment, at appropriate levels, of decisions having financial implications or impacting the interests of Bupa Arabia. The DOA captures all delegated authorities to the Board and its committees, the CEO, the CET, and the employees of the Company. The DOA shall be the main document to establish the delegated authorities and it shall take precedence over any other document.

### **11. Corporate Governance Standards**

Bupa Arabia Audit Committee Charter  
Version: 8  
Document Owner: Audit Committee Secretary  
Board Approval Date: **20 May 2025**  
General Assembly Meeting Approval Date: **30 June 2025**  
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**11.1** Company Corporate Governance Standards are defined in the Company Code of Corporate Governance. These standards apply to the Audit Committee and are reflected within this Charter to ensure alignment with the broader corporate governance framework. AC Charter and its required separate GA meeting agenda item approval process, i.e. together with the AC members' appointment for each term, are repeated here for ease of shareholder and regulatory reference:

**11.2** Bupa Arabia is committed to implementing and adhering to robust Corporate Governance standards, in accordance with internationally recognized best corporate governance practice, to ensure it succeeds in fulfilling, through its Corporate Governance Framework, Code of Corporate Governance, Board and Board Committees, the five key elements of Corporate Governance:

**11.2.1** Strong Commitment to Corporate Governance

**11.2.2** Strong Commitment to world class Board Practices

**11.2.3** Appropriate Control Environments and Processes

**11.2.4** Strong Regime of Disclosure and Transparency

**11.2.5** Protection of all shareholders' rights, including minority shareholders

## **12. Definitions**

The standard Company definitions, and acronyms, applicable throughout the Corporate Governance Framework (CGF), Code of Corporate Governance (CCG), and the Board and Board Committees' Charters, are defined within the "Definitions and Acronyms" section of the Company CCG.

## Audit Committee Charter

Article	Before the amendment	After the amendment
<b>Sub-paragraph (1.2.2) of paragraph (1.2) of Article (1) – Principal Role and Term</b>	Each member shall serve on the Committee for a period of one term, which may be extended for a maximum of only one additional term. The completion of any part of any AC Term shall constitute as the completion of a full AC term, thereby limiting membership to one additional AC term only.	Each member shall serve on the Committee for a period of one term, which may be extended <del>for</del> to a maximum of only one additional term. The completion of any part of any AC Term shall constitute as the completion of a full AC term, thereby limiting membership to one additional AC term only.
<b>Sub-paragraph (2.1.3) of paragraph (2.1) of Article (2) – Membership, Chairman, and Secretary</b>	Any person who has worked in the Company’s Executive Management, or for the Company’s External Auditors, during the preceding two (2) years, may not be a member of the AC.	Any person who has worked in the Company’s <b>finance department</b> , Executive Management, or for the Company’s External Auditors, during the preceding two (2) years, may not be a member of the AC.
<b>paragraph (2.3) of Article (2) – Confidentiality</b>	All Committee members are required to sign a Confidentiality Agreement with the Company, committing to maintain the highest confidentiality. This obligation extends to all the matters discussed during or related to the activities of the Board or Committee. The duty of confidentiality remains in effect at all times, irrespective of whether the individual is an active or former member of the Board or Committee.	All Committee members are required to sign a Confidentiality Agreement with the Company, committing to <del>maintain</del> <b>maintaining</b> the highest confidentiality. This obligation extends to all the matters discussed during or related to the activities of the Board or Committee. The duty of confidentiality remains in effect at all times, irrespective of whether the individual is an active or former member of the Board or Committee.
<b>New Article – Sub-Paragraph (6.3.8) of</b>	No previous text, as it is a new article.	<b>6.3.8 Risk Management:</b>  6.3.8.1 Developing a strategy and comprehensive policies for risk management that are consistent with the nature and volume of the

Article	Before the amendment	After the amendment
<p><b>Paragraph (6.3) of Article (6) – Roles, Duties and Responsibilities</b></p>		<p>Company's activities, monitoring their implementation, and reviewing and updating them based on the Company's internal and external changing factors;</p> <p>6.3.8.2 determining and maintaining an acceptable level of risk that may be faced by the Company and ensuring that the Company does not go beyond such level;</p> <p>6.3.8.3 ensuring the feasibility of the Company continuation, the successful continuity of its activities and determining the risks that threaten its existence during the following twelve (12) months;</p> <p>6.3.8.4 overseeing the Company's risk management system and assessing the effectiveness of the systems and mechanisms for determining and monitoring the risks that threaten the Company in order to determine areas of inadequacy therein;</p> <p>6.3.8.5 regularly reassessing the Company's ability to take risks and be exposed to such risks (through stress tests as an example);</p> <p>6.3.8.6 preparing detailed reports on the exposure to risks and the recommended measures to manage such risks, and presenting them to the Board;</p> <p>6.3.8.7 providing recommendations to the Board on matters related to risk management;</p> <p>6.3.8.8 ensuring the availability of adequate resources and systems for risk management;</p> <p>6.3.8.9 reviewing the organizational structure for risk management and providing recommendations regarding the same before approval by the Board;</p>

**Proposed Amendments to the Audit Committee Charter for Presentation to the Extraordinary General Assembly relating to the Demerger of Bupa Arabia for Cooperative Insurance Company**  
Annex to the agenda of the Extraordinary General Assembly Meeting related to the Demerger of Bupa Arabia for Cooperative Insurance Company

<b>Article</b>	<b>Before the amendment</b>	<b>After the amendment</b>
		6.3.8.10 verifying the independence of the risk management employees from activities that may expose the Company to risk; and  6.3.8.11 ensuring that the risk management employees understand the risks threatening the Company and seeking to raise awareness of the culture of risk.



## **Amend Nomination and Remuneration Committee charter:**

- New Nomination and Remuneration  
Committee charter**
- Old Nomination and Remuneration  
Committee charter**
- Comparison table new Nomination  
and Remuneration Committee charter  
and old Nomination and  
Remuneration Committee charter**



**BUPA ARABIA FOR COOPERATIVE INSURANCE COMPANY**  
**(“Bupa Arabia”, “the Company”)**  
**NOMINATION & REMUNERATION COMMITTEE (NRC)**  
**CHARTER**

**1. Objective**

The objective of this charter (the **Charter**) is to regulate the Remuneration and Nomination Committee (the Committee) including its duties, authorities, working procedures, its members' selection rules and remuneration method, in accordance with the Company's bylaws and the Capital Market Authority's (the CMA) regulations including the Corporate Governance Regulations.

The terms used under this Charter shall have the same meaning ascribed to them in the CMA's applicable rules unless the context requires otherwise.

**2. Committee Formation**

- 2.1. **Number of Members:** The Committee shall be formed by a resolution of the Company's board of directors (the Board). The number of Committee members shall not be less than three (3) and not more than five (5).
- 2.2. **Committee's Composition:** The Committee can be composed of directors, shareholders or others, provided no Executive Director is a member and at least one Independent Director is among its members. The Committee shall be formed according to the following selection rules:
  - a) The candidate shall have a record of expertise relevant to the Committee's duties and responsibilities.
  - b) The candidate shall have a good awareness of the Company's business activities and risk facing the Company.
  - c) The candidate shall not be convicted of an offense of dishonesty or breach of trust, forgery or significant violation of the laws and regulations in the Kingdom of Saudi Arabia or any other country.
- 2.3. **Chairperson:** The Board shall elect a chairperson (the Chairperson), from among the members, provided that such Chairperson is an independent director, to serve for the Committee term and provided that the Chairperson is not the chairperson of the Board. In the absence of the Chairperson, the members present at a duly called and constituted meeting of the Committee shall appoint a chairperson to chair the meeting.
- 2.4. **Committee Secretary:** The Board of Directors shall appoint the Committee Secretary, which may be based on a recommendation from the Committee.
- 2.5. The term of the Committee shall correspond to the term of the Board. Committee members shall carry out their duties and responsibilities from the date of their appointment, and their membership shall end on:
  - a) expiry of the term of the Company's Board;
  - b) resignation, without prejudice to the Company's right to demand compensation if the resignation is tendered at an inappropriate time;
  - c) health issues preventing the member from performing Committee duties;

- d) issuance of a court order declaring the member's bankruptcy or insolvency or the member's request of settlement with creditors;
  - e) conviction of committing an offence of dishonesty, breach of trust, forgery or significant violation of the laws and regulations in the Kingdom of Saudi Arabia or any other country; or
  - f) becoming, at any time, disqualified in terms of any of the rules of members' selection to the Committee, which are stated in the applicable law and in this Charter.
- 2.6. If the position of a Committee member becomes vacant due to one of the preceding or other reasons during the Committee's term, the Board may appoint a replacement member to the vacant position, provided that the replacement member meets the membership requirement stated in this Charter. Subject to the terms of this Charter, the replacement member shall serve for the remaining term of the predecessor member.

### **3. Duties of the Committee Member**

- 3.1. **Confidentiality:** The committee member must maintain the confidentiality of the information made available to him and of any documents he reviews. Under no circumstances — even after the expiry of his membership — may he disclose such information to any person or entity unless authorized by the Board of Directors, nor may he use any of such information to obtain a personal benefit for himself, any of his relatives, or any third party. The Company shall have the right to claim compensation in case of any breach of the provisions of this Article. The same obligations shall apply to the Committee Secretary. Board and Committee members must sign a Confidentiality Agreement with the Company and at all times maintain the strictest confidentiality of all matters discussed through, or associated with, the Board and Committee's activities, whether the Board and Committee member has ceased to be an active or current Board/Committee member or not.
- 3.2. **Disclosure of Interests** – Committee members shall not have any direct or indirect interest in the Company's business and contracts concluded by it.
- 3.3. Each member of the Committee shall disclose to the Committee:
- a) Any personal financial interest in any matter including, but without limitation to, business and family interests, to be decided by the Committee; and
  - b) Any potential conflict of interest arising from a cross-directorship.

Any such member shall abstain from voting on resolutions of the Committee in relation to which such interest exists and from participating in the discussions concerning such resolutions unless such conflict has previously been disclosed to, and authorized by the Board.

- 3.4. **Compliance with Laws:** Complying with the provisions of the Companies Law, the Capital Market Law and its implementing regulations, other relevant laws and regulations, and the Company's bylaws when performing his duties, and refraining from undertaking or participating in any act that may harm the interests of the Company.
- 3.5. **Attendance and Participation:** Preparing for meetings and committing to attend them, and not being absent except for acceptable justifications that are communicated in advance to the Committee Chairperson and accepted by the Committee. Actively participating in Committee meetings through prior review of the matters included on the meeting agenda and engaging in their discussions.
- 3.6. **Prioritizing the Company's Interest:** Performing his duties free from any external influence that may affect his impartiality, whether from within or outside the Company, and refraining from giving precedence to his personal interests over the interests of the Company.

#### 4. Committee Meetings

- 4.1. **Number of Meetings:** The Committee shall meet at least once every six (6) months, pursuant to an invitation from its Chairperson. The Committee Chairperson must also call the Committee to meet in exceptional circumstances, including, for example, if requested by the Board of Directors, any Committee member, or if circumstances otherwise require, with the reasons necessitating the exceptional meeting clearly stated.
- 4.2. **Notice of Meetings:** The Committee shall approve, before the beginning of the financial year, the dates and agendas of its meetings for that year. Invitations to attend a Committee meeting shall be sent at least five (5) days prior to the meeting date and shall be accompanied by the meeting agenda and the documents and information necessary to discuss the matters presented to the Committee and to make decisions thereon.
- 4.3. **Meeting Venue and Attendance Methods:** The Committee shall hold its meetings at the Company's head office or any other location approved by the meeting Chair. Committee meetings may also be held via video conferencing or any other similar electronic means that allow Committee members to participate, deliberate, and vote effectively.
- 4.4. **Quorum:** A meeting shall be valid only if a majority of the Committee members are present.
- 4.5. **Committee Decisions:** Committee decisions shall be adopted by majority vote. In the event of a tie, the Committee Chairperson shall have the casting vote. The Committee Secretary shall record the views of all parties in the minutes of the meeting.
- 4.6. **Objection to Committee Decisions:** Any Committee member has the right to object to any decision taken by the Committee, provided that his objection is expressly recorded in the meeting minutes along with the reasons for such objection. Absence from the meeting in which the decision is taken shall not constitute grounds for exemption from responsibility unless the member proves he was unaware of the decision or unable to object to it immediately after becoming aware of it.
- 4.7. **Documentation of Meetings and Minutes:**

The Committee Secretary shall prepare the minutes of the Committee meetings, which shall include at least the following:

  - a) The meeting venue, date, and start and end times.
  - b) The names of the attending and absent members, along with the names of invitees who attended the meeting and are not Committee members.
  - c) A summary of the Committee's deliberations and decisions, including the results of voting and the reasons for any objections, if any.
  - d) Identification of the party responsible for implementing the decisions taken, specifying the timeline for commencement of implementation and the follow-up mechanism if requested by the Committee.
- 4.8. **Procedures for Approval and Retention of Minutes:** The Committee Secretary shall send the draft minutes to the Committee members, and Committee members shall provide their comments—if any—within a maximum of five (5) business days from the date of sending. After addressing the Committee members' comments on the draft minutes, and following the approval of the meeting Chair, the Secretary shall send the revised draft to the Committee members for signature or for approval at the next Committee meeting (as feasible). The meeting minutes shall be retained, together with the meeting agenda and all accompanying documents, in a dedicated and organized register, and the minutes shall be signed by all attending members.

#### 5. Committee Working Procedures

- 5.1. **Authorities and Duties of the Chairperson**

- a) Chairing the Committee meetings and working on enhancing the Committee's effectiveness.
- b) Representing the Committee before the general assembly and the Board.
- c) Inviting the Committee members to meetings and specifying meeting times, dates, and venues in coordination with Committee members.
- d) Preparing meeting agendas, taking into consideration the topics falling within the Committee's purview that one (1) or more Committee member has requested of the Chairperson to bring before the Committee.
- e) Ensuring that the topics presented to the Committee are accompanied by sufficient information to enable decision-making.
- f) Ensuring that sufficient time is made available for the discussion of agenda items.
- g) Encouraging Committee members to participate effectively, to study and discuss agenda items and to express their views in a manner that contributes to achieving the Committee's objectives.
- h) Ensuring the availability of complete and correct information to Committee members in a timely manner to enable them to perform their duties and responsibilities.
- i) Preparing regular reports on the Committee's activities and submitting them with its recommendations and conclusions to the Board.
- j) Following up on the implementation of the resolutions issued by the Committee.
- k) Arranging for periodical performance evaluations of the Committee.

## 5.2. **Authorities and Duties of the Secretary**

- a) Coordinating the Committee's meetings and proposing agenda items in coordination with the Chairperson.
- b) Notifying the Committee members of meeting dates and providing them with agenda items and necessary documents to enable them to study the meeting items.
- c) Attending Committee meetings and preparing the minutes of meeting and maintaining them in a special record.
- d) Maintaining documents, records and reports submitted to or issued by the Committee.
- e) Providing assistance and advice to the Committee in matters falling within the Committee's competencies.

## 6. Authorities

The Board authorizes the Committee - within the scope of its responsibilities to:

- a) Engage external consultants to provide support to the Committee in performing its duties, as deemed necessary.
- b) Gain access to required resources in order to carry out its duties, including access to the Committee Secretary for assistance, as required.

## 7. Committee Duties and Responsibilities

In addition to any other regulatory or supervisory requirements, the duties of the Committee shall include, but not be limited to, the following:

### **With regard to Nominations:**

- a) Preparing a policy and criteria for membership of the Board of Directors, and recommending them to the Board for approval by the Company's General Assembly.
- b) Recommending to the Board the names of candidates for Board membership in accordance with the approved membership policy.
- c) Conducting an annual review of the skills and expertise required for Board membership and updating the description of the required capabilities and qualifications whenever needed.
- d) Reviewing the number of Board seats and its composition and providing recommendations regarding any changes that may be required.
- e) Establishing procedures in the event a seat of a Board member or committee member becomes vacant, and making recommendations in this regard.
- f) Recommending to the Board performance standards for evaluating the work of the Board, its members, and its committees.
- g) Evaluating the Board and its committees based on performance standards, reporting the evaluation results to the Board, and proposing remedies for the results, as needed, in a manner that aligns with the Company's interests, based on the Committee's opinion.

### **With regard to Remuneration:**

- a) Preparing the remuneration policy for Board members, its committees, and the Company's senior executives, and recommending it to the Board for approval by the General Assembly.
- b) Periodically reviewing the remuneration policy to ensure its alignment with changes in relevant laws and regulations, the Company's strategic objectives, and the skills and qualifications required to achieve them, and recommending proposed amendments to the Board.
- c) Recommending to the Board the remuneration of Board members, committee members, and senior executives in accordance with the approved policy.
- d) Defining and clarifying the relationship between the remunerations granted and the applicable remuneration policy, and identifying any material deviation from such policy.
- e) Reviewing and recommending to the Board the CEO's remuneration, incentive plans, and key performance

indicators.

- f) Reviewing and approving within the Company the following: annual salary reviews, KPI-based bonuses, sales commissions, incentive payments, annual bonuses, KPIs, and nominations.
- g) Conducting an annual evaluation of the performance of the Board, Board members, Board committees, and their members, including the evaluation of the Nomination and Remuneration Committee chaired by the Committee Chairperson for remuneration purposes, and the performance of the Board Chairperson.

**With regard to Board Members:**

- a) Determining the time that Board members must devote to fulfilling their duties.
- b) Ensuring annually the independence of independent members and verifying the absence of any conflict of interest in cases where a member holds a seat on the board of another company.
- c) Developing job descriptions for executive members, non-executive members, and independent members.
- d) Recommending to the Board the re-nomination or removal of Board or Committee members.

**With regard to the Induction of New Members:**

Ensuring compliance with training requirements in accordance with relevant regulations, including, without limitation, recommending to the Board the establishment of an induction program for new Board and committee members. The program shall cover the Company's activities, nature of its business, financial and legal aspects, the obligations, duties, and responsibilities of the members, as well as their rights, in addition to ongoing development training to ensure maintaining and enhancing members' skills.

**With regard to Senior Executives:**

- a) Recommending to the Board suitable policies and criteria for the appointment of senior executives and determining the required capabilities and skills, and periodically reviewing such policies to ensure their alignment with changes in the Company's strategic objectives and the skills and qualifications necessary to achieve them.
- b) Developing job descriptions for senior executives and reviewing the Company's organizational structure, and submitting recommendations to the Board regarding any required changes.
- c) Establishing succession planning procedures for senior executive positions and recommending them to the Board.
- d) Conducting an annual review of the skills and expertise required for senior executive positions.

**8. Remuneration of Committee Members**

- 8.1. A Committee member shall be entitled to an annual remuneration in accordance with the remuneration policy previously approved by the General Assembly.
- 8.2. The Company shall have the right to claim compensation for any damages incurred and to recover any remunerations, compensations, or other costs incurred by the Company to facilitate the member's fulfillment of his responsibilities, if the member commits any act that constitutes fraud, dishonesty, or breach of trust, or materially violates the laws and regulations of the Kingdom of Saudi Arabia or any other country, or fails to fulfill his responsibilities, duties, and obligations.

**9. Review of the Committee Charter**

The Committee shall periodically review this Charter for the purpose of developing and updating it in line with relevant laws and regulations. No amendment may be made to it except upon a recommendation from the Board

of Directors, and it must be presented to the General Assembly for approval.



**BUPA ARABIA FOR COOPERATIVE INSURANCE COMPANY**  
**(“Bupa Arabia”, “the Company”)**  
**APPENDIX E : NOMINATION & REMUNERATION COMMITTEE (NRC)**  
**CHARTER**

**1. Constitution, Principal Role and Term**

**Constitution** – This Charter was originally constituted by the Board during 2009, and thereafter approved by the public shareholders, including amendments to the same. This latest version, enhancing alignment with the latest regulatory corporate governance regulations, was approved by the Board during 2018, subject to regulatory approval where applicable, and subject to public shareholders’ approval, where applicable, on 22<sup>nd</sup> November 2018.

**Principal Role** – The principal role of the Nomination and Remuneration Committee (“NRC” or “the Committee”) is to assist the Board in fulfilling its oversight responsibilities so as to effectively manage, and approve where necessary, the:

- Board and Board Committees’ structures and composition,
- Nomination, selection, recommendation and appointment of the Board and Board Committees’ members, and their respective Chairmen,
- Review of the effectiveness of the Board and the Board Committees,
- Review of the effectiveness of the Board and Board Committees’ members, and their respective Chairmen,
- Ensure an internal board effectiveness review on an annual basis, and an external board effectiveness review every 3-4 years,
- Review and establishment of succession plans for the Board, Board Committees, CEO and Chief Executive Team members, and for specific “key” roles,
- Remuneration of the Board, Board Committees, CEO, and CET members,
- Review and approve any remuneration based policy, and oversight of, including but not limited to the overall Compensation and Benefits, including commission/bonus/incentive plans, of the Company, and any significant changes to any remuneration policies,
- Strategy for the assessment of the Board, Board Committees, and their respective members and Chairmen, including of the Chairman of the Board.

The NRC principal role also includes ensuring the Company is in compliance with all the Saudi Arabia regulatory requirements of an NRC and, in particular that it establishes, maintains and recommends the following key policies and procedures, for the approval of the Board, and the public shareholders in the General Assembly (GA) meeting thereafter, where required and applicable, and thereafter ensures the Company’s adherence to the same:

- The Board and Board Committee Member Nomination and Appointment Policy and Procedure,
- The Board Member Remuneration Policy,
- The Board Committee Member Remuneration Policy,
- The Chief Executive Team (CET) Member Remuneration Policy,

Bupa Arabia Nomination & Remuneration Committee Charter

Version: **6**

Document Owner: Nomination & Remuneration Committee Secretary

Board Approval Date: **29 October 2018**

General Assembly Meeting Approval Date: **22 November 2018**

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- The Company's Long-Term Incentive Plan (LTIP).

Although the contents of the above are not expressly repeated herein the processes and requirements contained within the above referred key regulatory required policies/procedures/plans, as has been approved by the public shareholders in the GA meeting(s) shall be considered to be included within this Charter.

In performing its duties, the Committee shall maintain effective working relationships with the Board and all the other Board Committees, the management, and any other required party so as to discharge its responsibilities. To perform their role effectively, each Committee member shall develop and maintain their skills and knowledge, including an understanding of the Committee's responsibilities and of the Company's business, operations and prime business risks.

**Term** – the term of this Board Committee shall run concurrent with the Board term, and such term will be governed by the Company's By-Laws (Articles), which cannot exceed the three (3) year maximum specified within the Company Law, as shall will be approved by the Board, regulators and thereafter the public shareholders in the GA meeting.

## **2. Membership, Chairman and Secretary**

**Composition and Chairman** – The Committee is to comprise of no less than three (3) and no more than five (5) members, and the members and Chairman shall be appointed by the Board in accordance with the GA approved Nomination and Appointment Policy and Procedure, and the relevant Saudi Arabia regulations, subject to the receipt of the SAMA no-objection(s) thereafter.

The NRC shall comprise majority Independent members, majority Non-executive members and neither the Chairman of the Board, nor the Chief Executive Officer (CEO)/Managing Director (MD), shall be a Committee member.

The NRC Chairman shall be an Independent Board member, or independent person, provided approved by the regulator(s), and provided allowed as per the regulations of Saudi Arabia. The NRC Chairman shall not be a member of the Audit Committee.

**Knowledge** – The Board shall ensure that the members of the Committee are appropriately qualified to discharge their responsibilities.

**Confidentiality** – Board/Committee members must sign a Confidentiality Agreement with the Company and at all times maintain the strictest confidentiality of all matters discussed through, or associated with, the Board/Committee's activities, whether the Board/Committee member has ceased to be an active or current Board/Committee member or not.

**Disclosure of Interests** – Committee members shall not have any direct or indirect interest in the Company's business and contracts concluded by it.

Committee members 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.

Each member of the Committee shall disclose to the Committee:

- a) Any personal financial interest in any matter including, but without limitation to, business and family interests, to be decided by the Committee; and
- b) Any potential conflict of interest arising from a cross-directorship.

Any such member shall abstain from voting on resolutions of the Committee in relation to which such interest exists and from participating in the discussions concerning such resolutions unless such conflict has previously been disclosed to, and authorized by the Board.

**Membership Review** – The Board shall review the membership of the Committee from time to time and approve any changes.

The membership of the Committee member shall terminate automatically upon the occurrence of any change that would breach the membership's terms set forth in regulations, instructions or decisions issued by Company's Regulators. The Committee member shall immediately inform the Company in writing upon the occurrence of such a change and she or he shall not attend any meeting of the Committee held after the date of the change.

**Secretary** – The Secretary of the Committee shall be appointed by the Board, accounting for the recommendation of the NRC. The Committee Secretary shall handle the Committee's administrative tasks, schedule the Committee's meetings in coordination with its Chairman, prepare meeting minutes and ensure that all the Committee members that attended, and the Committee Secretary, sign the minutes.

**Committee Members Compensation** – All Board, and Board Committee, members are entitled to annual compensation if the eligibility requirements have been fulfilled by the member. The Board, and Board Committee, members' compensation shall be as per the Board, and Board Committee, Member Remuneration Policies, as approved by the GA, and provided within the parameters allowed by the law and regulations of Saudi Arabia.

### **3. Meetings**

**Frequency** – The Committee meetings shall be held on a regular basis and as needed, such that the Committee convenes at least every six (6) months. The Secretary shall convene a meeting on receipt of a request by one (1) of the Committee members, the Board or by a related external party.

**Quorum** – The quorum of any meeting shall be valid if it comprises a minimum of either a) the majority of its members, where the Committee membership size is an odd number, or b) half the members, where the membership size is an even number, throughout the meeting. A member may participate by face-to-face meetings between the members, and/or by teleconference or videoconference, and be counted in the quorum and considered to have attended the meeting.

Bupa Arabia Nomination & Remuneration Committee Charter

Version: **6**

Document Owner: Nomination & Remuneration Committee Secretary

Board Approval Date: **29 October 2018**

General Assembly Meeting Approval Date: **22 November 2018**

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**Attendance** – Only Committee members, and the Committee Secretary, are entitled to attend the Committee meetings. The Committee shall have the discretion to invite any other person(s) to attend all or part of any meeting, as it considers appropriate.

A Committee member shall be deemed resigned if she or he fails to attend any meetings of the Committee for more than three (3) consecutive times without presenting an excuse acceptable to the Board.

**Voting** – The Committee’s decisions shall be issued by the majority of the members and in case of equal votes, the vote of the Committee’s Chairman shall give preponderance, provided that the Committee meeting minutes note the view of the other member(s). Voting on the Committee’s decisions on behalf of, or by proxy, from any member is not allowed.

#### **4. Proceedings**

**Notice** – Notice of each meeting confirming the date, time and venue shall be circulated by the Secretary, or his designated representative, to all members of the Committee and to other attendees (if appropriate) as far in advance as possible (within five (5) days).

**Agenda** – The Committee Secretary, or his designated representative, shall circulate the agenda and supporting documentation to the Committee members a reasonable period in advance of each meeting as far in advance as possible (within five (5) days).

**Supporting Papers** – Supporting papers for each meeting shall be circulated by the Committee Secretary, or his designated representative, to all members of the Committee and to other attendees (if appropriate) as far in advance as possible (within five (5) days).

**Duration** – Sufficient time should be allowed to enable the Committee to undertake as full a discussion, as may be required.

**Minutes** – The Committee Secretary shall ensure that minutes of the Committee meeting proceedings and resolutions, for all of the meetings of the Committee, are taken and are authorized by all the Committee members that attended, and the Committee Secretary, through signature of the same. The minutes must also include the recording of the names of those present and in attendance. Minutes of Committee meetings shall be circulated to members as soon as practicable following the meeting, preferably within two (2) weeks, and to the Board after the Committee has authorised the minutes, with any relevant key papers for the following Board meeting, unless there is a conflict of interest. Committee recommendations and voting results shall be formally documented within the minutes as a special register of the same.

#### **5. Authorities**

The Board authorizes the Committee - within the scope of its responsibilities to:

- a) Engage external consultants to provide support to the Committee in performing its duties, as deemed necessary.

- b) Gain access to required resources in order to carry out its duties, including access to the Committee Secretary for assistance, as required.

## **6. Roles, Duties and Responsibilities**

The Committee members are accountable to the Company's regulators, shareholders and the Board for implementing the provisions of the respective rules and regulations and executing the 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. Members of the Committee shall perform their duties free from any external influence, whether from within or outside the Company. Committee members shall not allow their own personal interest to come before, or in conflict with, that of the Company, its shareholders, or any other Stakeholders.

In addition to any other regulatory or supervisory requirements, the duties of the Committee shall include, but not be limited to, the following:

### **With regard to Nominations:**

- a) Ensures, through the Nomination and Appointment Policy and Procedure:
  - a. Compliance with the appointment of Board members, through the GA meeting, and in accordance with all the regulations and including the right of a shareholder to nominate himself/herself or others for appointment to the Board, and which must correlate with such shareholder's share ownership percentage in the capital of the Company, and that is on the basis of cumulative voting, and fulfills the requirement of presenting at least an excess of independent Board members to the GA so as to provide the GA with a choice of independent Board members, and that the voting for the Board members shall be confined to those whose information has been announced as nominated,
  - b. Compliance with the appointment of the Audit Committee members, through the GA meeting, in accordance with the regulations, and ensuring all proposed Audit Committee members are independent,
  - c. Compliance with the appointment of all other Board Committees' members, in accordance with the required regulations,
- b) Establishes formal and transparent policies, standards and procedures for nomination and appointment, which approved by the GA and communicated to the regulators, as required and applicable;
- c) Evaluates regularly the structure and composition of the Board and Board Committees and determines their points of strengths and weakness and recommends changes that are compatible with the Company's interest;
- d) Recommends membership appointments in accordance with the approved policies and standards, and which ensure that no person who has been previously convicted of any offense affecting honour or honesty is nominated for such membership;

Bupa Arabia Nomination & Remuneration Committee Charter

Version: **6**

Document Owner: Nomination & Remuneration Committee Secretary

Board Approval Date: **29 October 2018**

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- e) Ensures on an annual basis the independence of the independent members and the absence of any conflict of interest in the event a Board member also acts as a member of the Board, or of a Board Committee, of another company;
- f) Makes recommendations to the Board on various issues related to nomination and appointments;
- g) Reviews the requirement of suitable skills and expertise required of Board members, Board Committee members and the Chief Executive Team annually and prepares descriptions of the required capabilities and qualifications for such memberships, and ensures the inclusion of the same within the Nomination and Appointment Policy and Procedure;
- h) Develops, implements and reviews the succession plans of the Board and Board Committees, ensuring a pool of suitable candidates;
- i) Develops, implements and reviews the succession plan for the CEO, and the CET, and monitors the implementation of the succession plans and processes;
- j) Develops a CET vacancy filling procedure;
- k) Recommends to the Board the selection and dismissal of members of the CET;
- l) Reviews and considers the succession plans of those below the CET level, as and when required by any Saudi Arabia regulations.

**With regard to Remuneration:**

- a) Ensures that an annual remuneration review (internally through the internal audit function or externally via subject matter specialised firm) is conducted independently of executive management.
- b) Draws up clear policies regarding the compensations and remunerations of the Board, the Board Committees, and the CET, recommends to the Board for its approval to the GA of the same and thereafter ensures the implementation of such policies;
- c) Periodically reviews the remuneration policies assessing the effectiveness thereof in the support of the Company and employees' achievement of the objectives;
- d) Clarifies the relation between the paid remunerations and the approved and implemented policies, and highlighting any deviations from these policies;
- e) Makes recommendations to the Board on issues related to remuneration in accordance with the policies;
- f) Reviews and recommends to the Board the CEO's remuneration, incentive plans and performance KPI's;
- g) Reviews and supervises the compensation plans for the Executive Management;
- h) Reviews and approves the Company's: annual salary reviews, bonus KPI's, sales commission schemes, annual incentive/bonus payments, KPI's and nominees;
- i) Evaluates the performance and remuneration of the Board, Board members, Board Committees, and the Board Committees' members on a routine periodic basis, and including the assessment by the NRC, led by the NRC Chairman, of the Chairman of the Board's performance and remuneration.

**Through the Remuneration policies and procedures to;**

- a) Ensure full adherence to, in terms of content, approval, disclosure and any other requirements, the relevant Saudi Arabia regulations,
- b) Ensure aligned with the strategy and objectives of the Company, whilst considering the scale, nature and level of risks faced by the Company,

Bupa Arabia Nomination & Remuneration Committee Charter

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Board Approval Date: **29 October 2018**

General Assembly Meeting Approval Date: **22 November 2018**

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- c) Encourage Board members, Committee members, the Executive Management, and all employees, with incentives to achieve the sustained success, and the long-term development, of the Company;
- d) Consider role level, duties, responsibilities, educational qualifications, practical experience, skills and level of performance in the assessment of remunerations, in order to attract, and retain, talented professionals in a commercially sensible manner;
- e) Ensure the consideration of, and benchmarking to, the remuneration levels and practices of other similar listed companies (scale/sector), in the determination of the remuneration levels which Bupa Arabia pays in accordance with its respective remuneration policies,
- f) Consider where remunerations may be suspended, and/or recovered, if subsequently proven to be based upon inaccurate information provided by remuneration scheme member/participant, and in order to prevent the abuse of power or unmerited remunerations,
- g) Ensures members of the Board and Senior Management (except Sales Managers) shall not receive any commission or rewards based on sales-related activities.

**With regard to onboarding and training:**

- a) Ensures full adherence to the training requirements of all the relevant Saudi Arabia regulations, and including but not limited to:
- b) In coordination with the Company Board Secretary, and/or the Board Committees' Secretaries, provides job descriptions, which include the time members will be required to allocate, and ensures thorough induction programs for all the Board and Board Committee members, including covering the obligations, duties, responsibilities and rights of the members, and to ensure followed thereafter by ongoing development training to ensure member skills are maintained and developed,
- c) Ensures thorough induction programs for the CET members, and to ensure followed thereafter by ongoing development training to ensure member skills are maintained and developed,

**7. Reporting and Evaluating Performance Responsibilities**

**The Board** – The Chairman of the Committee (or a Committee member nominated by the Chairman) shall report to the Board on the proceedings of each Committee meeting (in the subsequent Board meeting), and make appropriate recommendations.

**Recommendations** – The Committee shall make recommendations to the Board wherever it considers appropriate on any area within its remit where action or improvement is necessary.

**Committee Report** – The Committee shall assist the Board by preparing a Committee Report, and/or statement for inclusion in the Company's Annual Report describing the role and responsibilities of the Committee and actions taken by the Committee during the relevant period to discharge those responsibilities. The statement shall also include the Committee's evaluation of the Board, Board Committee, and CET member remunerations in relation to the respective GA approved remuneration policies.

**General Assembly (GA) Meetings** – The Chairman of the Committee, or Committee member delegated by the Chairman if applicable, must attend the Company's GA Meeting(s) so as to be available to respond to any questions of the Shareholders on the Committee's activities and areas of responsibility.

Bupa Arabia Nomination & Remuneration Committee Charter  
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**Evaluation of Performance** – The Committee shall assess the achievement of the duties specified in the Charter and report the findings to the Board. The Committee shall also, led by the NRC Chairman, periodically perform a performance evaluation assessment of the Chairman of the Board.

**Disclosure requirements** – The Committee shall support the Board in satisfactorily ensuring the required remuneration details are appropriately disclosed within the Company’s Annual Report, in adherence to the CMA Corporate Governance Regulations, and all other applicable Saudi Arabia regulatory requirements.

#### **8. Review of the Committee Charter**

The Committee shall develop, implement and review its own Charter annually and shall thereafter recommend its revised Charter for the Board’s approval.

Thereafter, the Committee shall ensure that the revised Charter is approved by the Board, and if necessary by Bupa Arabia’s regulator(s) and/or public shareholders, as deemed applicable.

The Committee shall make available the Charter (explaining the role and the authority delegated to it by the Board) on request and by including the information on the Company’s website.

#### **9. Corporate Governance Standards**

The Company Corporate Governance Standards are defined in the Company Code of Corporate Governance (CCG).

#### **10. Definitions**

The standard Company definitions, and acronyms, applicable throughout the Corporate Governance Framework (CGF), Code of Corporate Governance (CCG), and the Board and the Board Committees’ Charters, are defined within the “Definitions and Acronyms” section of the CCG.

## Nomination and Remuneration Committee Charter

Article	Before the amendment	After the amendment
-	APPENDIX E - NOMINATION & REMUNERATION COMMITTEE (NRC) CHARTER	<del>APPENDIX E - NOMINATION &amp; REMUNERATION COMMITTEE (NRC) CHARTER</del>
<p><b>Article (1) – Constitution, Principal Role and Term Objective</b></p>	<p><b>Constitution</b> – This Charter was originally constituted by the Board during 2009, and thereafter approved by the public shareholders, including amendments to the same. This latest version, enhancing alignment with the latest regulatory corporate governance regulations, was approved by the Board during 2018, subject to regulatory approval where applicable, and subject to public shareholders’ approval, where applicable, on 22nd November 2018.</p> <p><b>Principal Role</b> – The principal role of the Nomination and Remuneration Committee (“NRC” or “the Committee”) is to assist the Board in fulfilling its oversight responsibilities so as to effectively manage, and approve where necessary, the:</p> <ul style="list-style-type: none"> <li>• Board and Board Committees’ structures and composition,</li> <li>• Nomination, selection, recommendation and appointment of the Board and Board Committees’ members, and their respective Chairmen,</li> </ul>	<p><del><b>Constitution</b> – This Charter was originally constituted by the Board during 2009, and thereafter approved by the public shareholders, including amendments to the same. This latest version, enhancing alignment with the latest regulatory corporate governance regulations, was approved by the Board during 2018, subject to regulatory approval where applicable, and subject to public shareholders’ approval, where applicable, on 22nd November 2018.</del></p> <p><del><b>Principal Role</b> – The principal role of the Nomination and Remuneration Committee (“NRC” or “the Committee”) is to assist the Board in fulfilling its oversight responsibilities so as to effectively manage, and approve where necessary, the:</del></p> <ul style="list-style-type: none"> <li><del>• Board and Board Committees’ structures and composition,</del></li> <li><del>• Nomination, selection, recommendation and appointment of the Board and Board Committees’ members, and their respective Chairmen,</del></li> <li><del>• Review of the effectiveness of the Board and the Board Committees,</del></li> <li><del>• Review of the effectiveness of the Board and Board Committees’ members, and their respective Chairmen,</del></li> </ul>

Article	Before the amendment	After the amendment
	<ul style="list-style-type: none"> <li>• Review of the effectiveness of the Board and the Board Committees,</li> <li>• Review of the effectiveness of the Board and Board Committees’ members, and their respective Chairmen,</li> <li>• Ensure an internal board effectiveness review on an annual basis, and an external board effectiveness review every 3-4 years,</li> <li>• Review and establishment of succession plans for the Board, Board Committees, CEO and Chief Executive Team members, and for specific “key” roles,</li> <li>• Remuneration of the Board, Board Committees, CEO, and CET members,</li> <li>• Review and approve any remuneration based policy, and oversight of, including but not limited to the overall Compensation and Benefits, including commission/bonus/incentive plans, of the Company, and any significant changes to any remuneration policies,</li> <li>• Strategy for the assessment of the Board, Board Committees, and their respective members and Chairmen, including of the Chairman of the Board.</li> </ul> <p>The NRC principal role also includes ensuring the Company is in compliance with all the Saudi Arabia regulatory requirements of an NRC and, in particular that it establishes, maintains and recommends the</p>	<ul style="list-style-type: none"> <li>• <del>Ensure an internal board effectiveness review on an annual basis, and an external board effectiveness review every 3-4 years;</del></li> <li>• <del>Review and establishment of succession plans for the Board, Board Committees, CEO and Chief Executive Team members, and for specific “key” roles;</del></li> <li>• <del>Remuneration of the Board, Board Committees, CEO, and CET members;</del></li> <li>• <del>Review and approve any remuneration based policy, and oversight of, including but not limited to the overall Compensation and Benefits, including commission/bonus/incentive plans, of the Company, and any significant changes to any remuneration policies;</del></li> <li>• <del>Strategy for the assessment of the Board, Board Committees, and their respective members and Chairmen, including of the Chairman of the Board.</del></li> </ul> <p><del>The NRC principal role also includes ensuring the Company is in compliance with all the Saudi Arabia regulatory requirements of an NRC and, in particular that it establishes, maintains and recommends the following key policies and procedures, for the approval of the Board, and the public shareholders in the General Assembly (GA) meeting thereafter, where required and applicable, and thereafter ensures the Company’s adherence to the same:</del></p> <ul style="list-style-type: none"> <li>• <del>The Board and Board Committee Member Nomination and Appointment Policy and Procedure;</del></li> <li>• <del>The Board Member Remuneration Policy;</del></li> <li>• <del>The Board Committee Member Remuneration Policy;</del></li> </ul>

Article	Before the amendment	After the amendment
	<p>following key policies and procedures, for the approval of the Board, and the public shareholders in the General Assembly (GA) meeting thereafter, where required and applicable, and thereafter ensures the Company’s adherence to the same:</p> <ul style="list-style-type: none"> <li>• The Board and Board Committee Member Nomination and Appointment Policy and Procedure,</li> <li>• The Board Member Remuneration Policy,</li> <li>• The Board Committee Member Remuneration Policy,</li> <li>• The Chief Executive Team (CET) Member Remuneration Policy,</li> <li>• The Company’s Long-Term Incentive Plan (LTIP).</li> </ul> <p>Although the contents of the above are not expressly repeated herein the processes and requirements contained within the above referred key regulatory required policies/procedures/plans, as has been approved by the public shareholders in the GA meeting(s) shall be considered to be included within this Charter.</p> <p>In performing its duties, the Committee shall maintain effective working relationships with the Board and all the other Board Committees, the management, and any other required party so as to discharge its responsibilities. To perform their role effectively, each</p>	<ul style="list-style-type: none"> <li>• <del>The Chief Executive Team (CET) Member Remuneration Policy,</del></li> <li>• <del>The Company’s Long-Term Incentive Plan (LTIP).</del></li> </ul> <p><del>Although the contents of the above are not expressly repeated herein the processes and requirements contained within the above referred key regulatory required policies/procedures/plans, as has been approved by the public shareholders in the GA meeting(s) shall be considered to be included within this Charter.</del></p> <p><del>In performing its duties, the Committee shall maintain effective working relationships with the Board and all the other Board Committees, the management, and any other required party so as to discharge its responsibilities. To perform their role effectively, each Committee member shall develop and maintain their skills and knowledge, including an understanding of the Committee’s responsibilities and of the Company’s business, operations and prime business risks.</del></p> <p><del><b>Term</b>— the term of this Board Committee shall run concurrent with the Board term, and such term will be governed by the Company’s By-Laws (Articles), which cannot exceed the three (3) year maximum specified within the Company Law, as shall will be approved by the Board, regulators and thereafter the public shareholders in the GA meeting.</del></p> <p>The objective of this charter (the Charter) is to regulate the Remuneration and Nomination Committee (the Committee) including its duties, authorities, working procedures, its members' selection rules and remuneration method, in accordance with the Company’s bylaws</p>

Article	Before the amendment	After the amendment
	<p>Committee member shall develop and maintain their skills and knowledge, including an understanding of the Committee’s responsibilities and of the Company’s business, operations and prime business risks.</p> <p><b>Term</b> – the term of this Board Committee shall run concurrent with the Board term, and such term will be governed by the Company’s By-Laws (Articles), which cannot exceed the three (3) year maximum specified within the Company Law, as shall will be approved by the Board, regulators and thereafter the public shareholders in the GA meeting.</p>	<p>and the Capital Market Authority’s (the CMA) regulations including the Corporate Governance Regulations.</p> <p>The terms used under this Charter shall have the same meaning ascribed to them in the CMA’s applicable rules unless the context requires otherwise.</p>
<p><b>Article (2) – Membership, Chairman and Secretary Committee Formation</b></p>	<p><b>Composition and Chairman</b> – The Committee is to comprise of no less than three (3) and no more than five (5) members, and the members and Chairman shall be appointed by the Board in accordance with the GA approved Nomination and Appointment Policy and Procedure, and the relevant Saudi Arabia regulations, subject to the receipt of the SAMA no-objection(s) thereafter.</p> <p>The NRC shall comprise majority Independent members, majority Non-executive members and neither the Chairman of the Board, nor the Chief Executive Officer (CEO)/Managing Director (MD), shall be a Committee member.</p> <p>The NRC Chairman shall be an Independent Board member, or independent person, provided approved by</p>	<p><del><b>Composition and Chairman</b> – The Committee is to comprise of no less than three (3) and no more than five (5) members, and the members and Chairman shall be appointed by the Board in accordance with the GA approved Nomination and Appointment Policy and Procedure, and the relevant Saudi Arabia regulations, subject to the receipt of the SAMA no-objection(s) thereafter.</del></p> <p><del>The NRC shall comprise majority Independent members, majority Non-executive members and neither the Chairman of the Board, nor the Chief Executive Officer (CEO)/Managing Director (MD), shall be a Committee member.</del></p> <p><del>The NRC Chairman shall be an Independent Board member, or independent person, provided approved by the regulator(s), and provided allowed as per the regulations of Saudi Arabia. The NRC Chairman shall not be a member of the Audit Committee.</del></p>

Article	Before the amendment	After the amendment
	<p>the regulator(s), and provided allowed as per the regulations of Saudi Arabia. The NRC Chairman shall not be a member of the Audit Committee.</p> <p><b>Knowledge</b> – The Board shall ensure that the members of the Committee are appropriately qualified to discharge their responsibilities.</p> <p><b>Confidentiality</b> – Board/Committee members must sign a Confidentiality Agreement with the Company and at all times maintain the strictest confidentiality of all matters discussed through, or associated with, the Board/Committee’s activities, whether the Board/Committee member has ceased to be an active or current Board/Committee member or not.</p> <p><b>Disclosure of Interests</b> – Committee members shall not have any direct or indirect interest in the Company’s business and contracts concluded by it.</p> <p>Committee members 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>Each member of the Committee shall disclose to the Committee:</p> <p>a) Any personal financial interest in any matter including, but without limitation to, business</p>	<p><del><b>Knowledge</b> – The Board shall ensure that the members of the Committee are appropriately qualified to discharge their responsibilities.</del></p> <p><del><b>Confidentiality</b> – Board/Committee members must sign a Confidentiality Agreement with the Company and at all times maintain the strictest confidentiality of all matters discussed through, or associated with, the Board/Committee’s activities, whether the Board/Committee member has ceased to be an active or current Board/Committee member or not.</del></p> <p><del><b>Disclosure of Interests</b> – Committee members shall not have any direct or indirect interest in the Company’s business and contracts concluded by it.</del></p> <p><del>Committee members 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.</del></p> <p><del>Each member of the Committee shall disclose to the Committee:</del></p> <p><del>a) Any personal financial interest in any matter including, but without limitation to, business and family interests, to be decided by the Committee; and</del></p> <p><del>b) Any potential conflict of interest arising from a cross-directorship.</del></p> <p><del>Any such member shall abstain from voting on resolutions of the Committee in relation to which such interest exists and from</del></p>

Article	Before the amendment	After the amendment
	<p>and family interests, to be decided by the Committee; and</p> <p>b) Any potential conflict of interest arising from a cross-directorship.</p> <p>Any such member shall abstain from voting on resolutions of the Committee in relation to which such interest exists and from participating in the discussions concerning such resolutions unless such conflict has previously been disclosed to, and authorized by the Board.</p> <p><b>Membership Review</b> – The Board shall review the membership of the Committee from time to time and approve any changes.</p> <p>The membership of the Committee member shall terminate automatically upon the occurrence of any change that would breach the membership's terms set forth in regulations, instructions or decisions issued by Company's Regulators. The Committee member shall immediately inform the Company in writing upon the occurrence of such a change and she or he shall not attend any meeting of the Committee held after the date of the change.</p> <p><b>Secretary</b> – The Secretary of the Committee shall be appointed by the Board, accounting for the recommendation of the NRC. The Committee Secretary shall handle the Committee's administrative tasks, schedule the Committee's meetings in coordination with</p>	<p><del>participating in the discussions concerning such resolutions unless such conflict has previously been disclosed to, and authorized by the Board.</del></p> <p><del><b>Membership Review</b> – The Board shall review the membership of the Committee from time to time and approve any changes.</del></p> <p><del>The membership of the Committee member shall terminate automatically upon the occurrence of any change that would breach the membership's terms set forth in regulations, instructions or decisions issued by Company's Regulators. The Committee member shall immediately inform the Company in writing upon the occurrence of such a change and she or he shall not attend any meeting of the Committee held after the date of the change.</del></p> <p><del><b>Secretary</b> – The Secretary of the Committee shall be appointed by the Board, accounting for the recommendation of the NRC. The Committee Secretary shall handle the Committee's administrative tasks, schedule the Committee's meetings in coordination with its Chairman, prepare meeting minutes and ensure that all the Committee members that attended, and the Committee Secretary, sign the minutes.</del></p> <p><del><b>Committee Members Compensation</b> – All Board, and Board Committee, members are entitled to annual compensation if the eligibility requirements have been fulfilled by the member. The Board, and Board Committee, members' compensation shall be as per the Board, and Board Committee, Member Remuneration Policies, as approved by the GA, and provided within the parameters allowed by the law and regulations of Saudi Arabia.</del></p> <p>2.1. Number of Members: The Committee shall be formed by a resolution of the Company's board of directors (the Board). The</p>

Article	Before the amendment	After the amendment
	<p>its Chairman, prepare meeting minutes and ensure that all the Committee members that attended, and the Committee Secretary, sign the minutes.</p> <p><b>Committee Members Compensation</b> – All Board, and Board Committee, members are entitled to annual compensation if the eligibility requirements have been fulfilled by the member. The Board, and Board Committee, members’ compensation shall be as per the Board, and Board Committee, Member Remuneration Policies, as approved by the GA, and provided within the parameters allowed by the law and regulations of Saudi Arabia.</p>	<p>number of Committee members shall not be less than three (3) and not more than five (5).</p> <p>2.2. Committee’s Composition: The Committee can be composed of directors, shareholders or others, provided no Executive Director is a member and at least one Independent Director is among its members. The Committee shall be formed according to the following selection rules:</p> <ul style="list-style-type: none"> <li>a) The candidate shall have a record of expertise relevant to the Committee’s duties and responsibilities.</li> <li>b) The candidate shall have a good awareness of the Company’s business activities and risk facing the Company.</li> <li>c) The candidate shall not be convicted of an offense of dishonesty or breach of trust, forgery or significant violation of the laws and regulations in the Kingdom of Saudi Arabia or any other country.</li> </ul> <p>2.3. Chairperson: The Board shall elect a chairperson (the Chairperson), from among the members, provided that such Chairperson is an independent director, to serve for the Committee term and provided that the Chairperson is not the chairperson of the Board. In the absence of the Chairperson, the members present at a duly called and constituted meeting of the Committee shall appoint a chairperson to chair the meeting.</p> <p>2.4. Committee Secretary: The Board of Directors shall appoint the Committee Secretary, which may be based on a recommendation from the Committee.</p> <p>2.5. The term of the Committee shall correspond to the term of the Board. Committee members shall carry out their duties and</p>

Article	Before the amendment	After the amendment
		<p>responsibilities from the date of their appointment, and their membership shall end on:</p> <ul style="list-style-type: none"> <li>a) expiry of the term of the Company’s Board;</li> <li>b) resignation, without prejudice to the Company’s right to demand compensation if the resignation is tendered at an inappropriate time;</li> <li>c) health issues preventing the member from performing Committee duties;</li> <li>d) issuance of a court order declaring the member’s bankruptcy or insolvency or the member’s request of settlement with creditors;</li> <li>e) conviction of committing an offence of dishonesty, breach of trust, forgery or significant violation of the laws and regulations in the Kingdom of Saudi Arabia or any other country; or</li> <li>f) becoming, at any time, disqualified in terms of any of the rules of members’ selection to the Committee, which are stated in the applicable law and in this Charter.</li> </ul> <p>2.6. If the position of a Committee member becomes vacant due to one of the preceding or other reasons during the Committee’s term, the Board may appoint a replacement member to the vacant position, provided that the replacement member meets the membership requirement stated in this Charter. Subject to the terms of this Charter, the replacement member shall serve for the remaining term of the predecessor member.</p>
<p><b>Article (3) – Meetings Duties of the</b></p>	<p><b>Frequency</b> – The Committee meetings shall be held on a regular basis and as needed, such that the Committee convenes at least every six (6) months. The Secretary shall convene a meeting on receipt of a request by one</p>	<p><del>Frequency – The Committee meetings shall be held on a regular basis and as needed, such that the Committee convenes at least every six (6) months. The Secretary shall convene a meeting on receipt of a request</del></p>

Article	Before the amendment	After the amendment
<p><b>Committee Member</b></p>	<p>(1) of the Committee members, the Board or by a related external party.</p> <p><b>Quorum</b> – The quorum of any meeting shall be valid if it comprises a minimum of either a) the majority of its members, where the Committee membership size is an odd number, or b) half the members, where the membership size is an even number, throughout the meeting. A member may participate by face-to-face meetings between the members, and/or by teleconference or videoconference, and be counted in the quorum and considered to have attended the meeting.</p> <p><b>Attendance</b> – Only Committee members, and the Committee Secretary, are entitled to attend the Committee meetings. The Committee shall have the discretion to invite any other person(s) to attend all or part of any meeting, as it considers appropriate.</p> <p>A Committee member shall be deemed resigned if she or he fails to attend any meetings of the Committee for more than three (3) consecutive times without presenting an excuse acceptable to the Board.</p> <p><b>Voting</b> – The Committee’s decisions shall be issued by the majority of the members and in case of equal votes, the vote of the Committee’s Chairman shall give preponderance, provided that the Committee meeting minutes note the view of the other member(s). Voting</p>	<p><del>by one (1) of the Committee members, the Board or by a related external party.</del></p> <p><del>Quorum</del>—The quorum of any meeting shall be valid if it comprises a minimum of either a) the majority of its members, where the Committee membership size is an odd number, or b) half the members, where the membership size is an even number, throughout the meeting. A member may participate by face-to-face meetings between the members, and/or by teleconference or videoconference, and be counted in the quorum and considered to have attended the meeting.</p> <p><del>Attendance</del>—Only Committee members, and the Committee Secretary, are entitled to attend the Committee meetings. The Committee shall have the discretion to invite any other person(s) to attend all or part of any meeting, as it considers appropriate.</p> <p><del>A Committee member shall be deemed resigned if she or he fails to attend any meetings of the Committee for more than three (3) consecutive times without presenting an excuse acceptable to the Board.</del></p> <p><del>Voting</del>—The Committee’s decisions shall be issued by the majority of the members and in case of equal votes, the vote of the Committee’s Chairman shall give preponderance, provided that the Committee meeting minutes note the view of the other member(s). Voting on the Committee’s decisions on behalf of, or by proxy, from any member is not allowed.</p> <p><b>3.1 Confidentiality:</b> The committee member must maintain the confidentiality of the information made available to him and of any documents he reviews. Under no circumstances — even after the expiry</p>

Article	Before the amendment	After the amendment
	<p>on the Committee’s decisions on behalf of, or by proxy, from any member is not allowed.</p>	<p>of his membership — may he disclose such information to any person or entity unless authorized by the Board of Directors, nor may he use any of such information to obtain a personal benefit for himself, any of his relatives, or any third party. The Company shall have the right to claim compensation in case of any breach of the provisions of this Article. The same obligations shall apply to the Committee Secretary. Board and Committee members must sign a Confidentiality Agreement with the Company and at all times maintain the strictest confidentiality of all matters discussed through, or associated with, the Board/ and Committee’s activities, whether the Board/ and Committee member has ceased to be an active or current Board/Committee member or not.</p> <p><b>3.2 Disclosure of Interests</b> – Committee members shall not have any direct or indirect interest in the Company’s business and contracts concluded by it.</p> <p>Committee members 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><b>3.3 Each member of the Committee shall disclose to the Committee:</b></p> <ul style="list-style-type: none"> <li>a) Any personal financial interest in any matter including, but without limitation to, business and family interests, to be decided by the Committee; and</li> <li>b) Any potential conflict of interest arising from a cross-directorship.</li> </ul>

Article	Before the amendment	After the amendment
		<p>Any such member shall abstain from voting on resolutions of the Committee in relation to which such interest exists and from participating in the discussions concerning such resolutions unless such conflict has previously been disclosed to, and authorized by the Board.</p> <p>3.4. <b>Compliance with Laws:</b> Complying with the provisions of the Companies Law, the Capital Market Law and its implementing regulations, other relevant laws and regulations, and the Company’s bylaws when performing his duties, and refraining from undertaking or participating in any act that may harm the interests of the Company.</p> <p>3.5. <b>Attendance and Participation:</b> Preparing for meetings and committing to attend them, and not being absent except for acceptable justifications that are communicated in advance to the Committee Chairperson and accepted by the Committee. Actively participating in Committee meetings through prior review of the matters included on the meeting agenda and engaging in their discussions.</p> <p>3.6. <b>Prioritizing the Company’s Interest:</b> Performing his duties free from any external influence that may affect his impartiality, whether from within or outside the Company, and refraining from giving precedence to his personal interests over the interests of the Company.</p>
<p><b>Article (4) – Proceedings Committee Meetings</b></p>	<p><b>Notice</b> – Notice of each meeting confirming the date, time and venue shall be circulated by the Secretary, or his designated representative, to all members of the Committee and to other attendees (if appropriate) as far in advance as possible (within five (5) days).</p>	<p><del><b>Notice</b> – Notice of each meeting confirming the date, time and venue shall be circulated by the Secretary, or his designated representative, to all members of the Committee and to other attendees (if appropriate) as far in advance as possible (within five (5) days).</del></p>

Article	Before the amendment	After the amendment
	<p><b>Agenda</b> – The Committee Secretary, or his designated representative, shall circulate the agenda and supporting documentation to the Committee members a reasonable period in advance of each meeting as far in advance as possible (within five (5) days).</p> <p><b>Supporting Papers</b> – Supporting papers for each meeting shall be circulated by the Committee Secretary, or his designated representative, to all members of the Committee and to other attendees (if appropriate) as far in advance as possible (within five (5) days).</p> <p><b>Duration</b> – Sufficient time should be allowed to enable the Committee to undertake as full a discussion, as may be required.</p> <p><b>Minutes</b> – The Committee Secretary shall ensure that minutes of the Committee meeting proceedings and resolutions, for all of the meetings of the Committee, are taken and are authorized by all the Committee members that attended, and the Committee Secretary, through signature of the same. The minutes must also include the recording of the names of those present and in attendance. Minutes of Committee meetings shall be circulated to members as soon as practicable following the meeting, preferably within two (2) weeks, and to the Board after the Committee has authorised the minutes, with any relevant key papers for the following Board meeting, unless there is a conflict of interest. Committee recommendations and voting results shall be formally documented within the minutes as a special register of the same.</p>	<p><del><b>Agenda</b> – The Committee Secretary, or his designated representative, shall circulate the agenda and supporting documentation to the Committee members a reasonable period in advance of each meeting as far in advance as possible (within five (5) days).</del></p> <p><del><b>Supporting Papers</b> – Supporting papers for each meeting shall be circulated by the Committee Secretary, or his designated representative, to all members of the Committee and to other attendees (if appropriate) as far in advance as possible (within five (5) days).</del></p> <p><del><b>Duration</b> – Sufficient time should be allowed to enable the Committee to undertake as full a discussion, as may be required.</del></p> <p><del><b>Minutes</b> – The Committee Secretary shall ensure that minutes of the Committee meeting proceedings and resolutions, for all of the meetings of the Committee, are taken and are authorized by all the Committee members that attended, and the Committee Secretary, through signature of the same. The minutes must also include the recording of the names of those present and in attendance. Minutes of Committee meetings shall be circulated to members as soon as practicable following the meeting, preferably within two (2) weeks, and to the Board after the Committee has authorised the minutes, with any relevant key papers for the following Board meeting, unless there is a conflict of interest. Committee recommendations and voting results shall be formally documented within the minutes as a special register of the same.</del></p> <p>4.1. Number of Meetings: The Committee shall meet at least once every six (6) months, pursuant to an invitation from its Chairperson. The Committee Chairperson must also call the Committee to meet in exceptional circumstances, including, for example, if requested by the</p>

Article	Before the amendment	After the amendment
		<p>Board of Directors, any Committee member, or if circumstances otherwise require, with the reasons necessitating the exceptional meeting clearly stated.</p> <p>4.2. Notice of Meetings: The Committee shall approve, before the beginning of the financial year, the dates and agendas of its meetings for that year. Invitations to attend a Committee meeting shall be sent at least five (5) days prior to the meeting date and shall be accompanied by the meeting agenda and the documents and information necessary to discuss the matters presented to the Committee and to make decisions thereon.</p> <p>4.3. Meeting Venue and Attendance Methods: The Committee shall hold its meetings at the Company’s head office or any other location approved by the meeting Chair. Committee meetings may also be held via video conferencing or any other similar electronic means that allow Committee members to participate, deliberate, and vote effectively.</p> <p>4.4. Quorum: A meeting shall be valid only if a majority of the Committee members are present.</p> <p>4.5. Committee Decisions: Committee decisions shall be adopted by majority vote. In the event of a tie, the Committee Chairperson shall have the casting vote. The Committee Secretary shall record the views of all parties in the minutes of the meeting.</p> <p>4.6. Objection to Committee Decisions: Any Committee member has the right to object to any decision taken by the Committee, provided that his objection is expressly recorded in the meeting minutes along with the reasons for such objection. Absence from the meeting in which the decision is taken shall not constitute grounds for exemption from</p>

Article	Before the amendment	After the amendment
		<p>responsibility unless the member proves he was unaware of the decision or unable to object to it immediately after becoming aware of it.</p> <p>4.7. Documentation of Meetings and Minutes:</p> <p>The Committee Secretary shall prepare the minutes of the Committee meetings, which shall include at least the following:</p> <ul style="list-style-type: none"> <li>a) The meeting venue, date, and start and end times.</li> <li>b) The names of the attending and absent members, along with the names of invitees who attended the meeting and are not Committee members.</li> <li>c) A summary of the Committee’s deliberations and decisions, including the results of voting and the reasons for any objections, if any.</li> <li>d) Identification of the party responsible for implementing the decisions taken, specifying the timeline for commencement of implementation and the follow-up mechanism if requested by the Committee.</li> </ul> <p>4.8. Procedures for Approval and Retention of Minutes: The Committee Secretary shall send the draft minutes to the Committee members, and Committee members shall provide their comments—if any—within a maximum of five (5) business days from the date of sending. After addressing the Committee members’ comments on the draft minutes, and following the approval of the meeting Chair, the Secretary shall send the revised draft to the Committee members for signature or for approval at the next Committee meeting (as feasible). The meeting minutes shall be retained, together with the meeting agenda and all accompanying documents, in a dedicated and organized register, and the minutes shall be signed by all attending members.</p>

Article	Before the amendment	After the amendment
<p><b>Article (5) - Authorities Committee Working Procedures</b></p>	<p>The Board authorizes the Committee - within the scope of its responsibilities to:</p> <ul style="list-style-type: none"> <li>a) Engage external consultants to provide support to the Committee in performing its duties, as deemed necessary.</li> <li>b) Gain access to required resources in order to carry out its duties, including access to the Committee Secretary for assistance, as required.</li> </ul>	<p><del>The Board authorizes the Committee -- within the scope of its responsibilities to:</del></p> <ul style="list-style-type: none"> <li><del>a) Engage external consultants to provide support to the Committee in performing its duties, as deemed necessary.</del></li> <li><del>b) Gain access to required resources in order to carry out its duties, including access to the Committee Secretary for assistance, as required.</del></li> </ul> <p><b>5.1. Authorities and Duties of the Chairperson</b></p> <ul style="list-style-type: none"> <li>a) Chairing the Committee meetings and working on enhancing the Committee’s effectiveness.</li> <li>b) Representing the Committee before the general assembly and the Board.</li> <li>c) Inviting the Committee members to meetings and specifying meeting times, dates, and venues in coordination with Committee members.</li> <li>d) Preparing meeting agendas, taking into consideration the topics falling within the Committee’s purview that one (1) or more Committee member has requested of the Chairperson to bring before the Committee.</li> <li>e) Ensuring that the topics presented to the Committee are accompanied by sufficient information to enable decision-making.</li> <li>f) Ensuring that sufficient time is made available for the discussion of agenda items.</li> <li>g) Encouraging Committee members to participate effectively, to study and discuss agenda items and to express their views</li> </ul>

Article	Before the amendment	After the amendment
		<p>in a manner that contributes to achieving the Committee's objectives.</p> <ul style="list-style-type: none"> <li>h) Ensuring the availability of complete and correct information to Committee members in a timely manner to enable them to perform their duties and responsibilities.</li> <li>i) Preparing regular reports on the Committee's activities and submitting them with its recommendations and conclusions to the Board.</li> <li>j) Following up on the implementation of the resolutions issued by the Committee.</li> <li>k) Arranging for periodical performance evaluations of the Committee.</li> </ul> <p><b>5.2. Authorities and Duties of the Secretary</b></p> <ul style="list-style-type: none"> <li>a) Coordinating the Committee's meetings and proposing agenda items in coordination with the Chairperson.</li> <li>b) Notifying the Committee members of meeting dates and providing them with agenda items and necessary documents to enable them to study the meeting items.</li> <li>c) Attending Committee meetings and preparing the minutes of meeting and maintaining them in a special record.</li> <li>d) Maintaining documents, records and reports submitted to or issued by the Committee.</li> <li>e) Providing assistance and advice to the Committee in matters falling within the Committee's competencies.</li> </ul>
<p><b>Article (6) – Authorities Roles, Duties</b></p>	<p>The Committee members are accountable to the Company's regulators, shareholders and the Board for implementing the provisions of the respective rules and</p>	<p><del>The Committee members are accountable to the Company's regulators, shareholders and the Board for implementing the provisions of the respective rules and regulations and executing the Committee's action plan issued by a Board's decision.</del></p>

Article	Before the amendment	After the amendment
<p><b>and Responsibilities</b></p>	<p>regulations and executing the 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. Members of the Committee shall perform their duties free from any external influence, whether from within or outside the Company. Committee members shall not allow their own personal interest to come before, or in conflict with, that of the Company, its shareholders, or any other Stakeholders.</p> <p>In addition to any other regulatory or supervisory requirements, the duties of the Committee shall include, but not be limited to, the following:</p> <p>With regard to Nominations:</p> <p>Ensures, through the Nomination and Appointment Policy and Procedure:</p> <p>Compliance with the appointment of Board members, through the GA meeting, and in accordance with all the regulations and including the right of a shareholder to nominate himself/herself or others for appointment to the Board, and which must correlate with such shareholder’s share ownership percentage in the capital of the Company, and that is on the basis of cumulative voting, and fulfills the requirement of presenting at least an excess of independent Board members to the GA so</p>	<p><del>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. Members of the Committee shall perform their duties free from any external influence, whether from within or outside the Company. Committee members shall not allow their own personal interest to come before, or in conflict with, that of the Company, its shareholders, or any other Stakeholders.</del></p> <p><del>In addition to any other regulatory or supervisory requirements, the duties of the Committee shall include, but not be limited to, the following:</del></p> <p><del>With regard to Nominations:</del></p> <p><del>Ensures, through the Nomination and Appointment Policy and Procedure:</del></p> <p><del>Compliance with the appointment of Board members, through the GA meeting, and in accordance with all the regulations and including the right of a shareholder to nominate himself/herself or others for appointment to the Board, and which must correlate with such shareholder’s share ownership percentage in the capital of the Company, and that is on the basis of cumulative voting, and fulfills the requirement of presenting at least an excess of independent Board members to the GA so as to provide the GA with a choice of independent Board members, and that the voting for the Board members shall be confined to those whose information has been announced as nominated,</del></p>

Article	Before the amendment	After the amendment
	<p>as to provide the GA with a choice of independent Board members, and that the voting for the Board members shall be confined to those whose information has been announced as nominated,</p> <p>Compliance with the appointment of the Audit Committee members, through the GA meeting, in accordance with the regulations, and ensuring all proposed Audit Committee members are independent,</p> <p>Compliance with the appointment of all other Board Committees' members, in accordance with the required regulations,</p> <p>Establishes formal and transparent policies, standards and procedures for nomination and appointment, which approved by the GA and communicated to the regulators, as required and applicable;</p> <p>Evaluates regularly the structure and composition of the Board and Board Committees and determines their points of strengths and weakness and recommends changes that are compatible with the Company's interest;</p> <p>Recommends membership appointments in accordance with the approved policies and standards, and which ensure that no person who has been previously convicted of any offense affecting honour or honesty is nominated for such membership;</p>	<p><del>Compliance with the appointment of the Audit Committee members, through the GA meeting, in accordance with the regulations, and ensuring all proposed Audit Committee members are independent;</del></p> <p><del>Compliance with the appointment of all other Board Committees' members, in accordance with the required regulations;</del></p> <p><del>Establishes formal and transparent policies, standards and procedures for nomination and appointment, which approved by the GA and communicated to the regulators, as required and applicable;</del></p> <p><del>Evaluates regularly the structure and composition of the Board and Board Committees and determines their points of strengths and weakness and recommends changes that are compatible with the Company's interest;</del></p> <p><del>Recommends membership appointments in accordance with the approved policies and standards, and which ensure that no person who has been previously convicted of any offense affecting honour or honesty is nominated for such membership;</del></p> <p><del>Ensures on an annual basis the independence of the independent members and the absence of any conflict of interest in the event a Board member also acts as a member of the Board, or of a Board Committee, of another company;</del></p> <p><del>Makes recommendations to the Board on various issues related to nomination and appointments;</del></p> <p><del>Reviews the requirement of suitable skills and expertise required of Board members, Board Committee members and the Chief Executive</del></p>

Article	Before the amendment	After the amendment
	<p>Ensures on an annual basis the independence of the independent members and the absence of any conflict of interest in the event a Board member also acts as a member of the Board, or of a Board Committee, of another company;</p> <p>Makes recommendations to the Board on various issues related to nomination and appointments;</p> <p>Reviews the requirement of suitable skills and expertise required of Board members, Board Committee members and the Chief Executive Team annually and prepares descriptions of the required capabilities and qualifications for such memberships, and ensures the inclusion of the same within the Nomination and Appointment Policy and Procedure;</p> <p>Develops, implements and reviews the succession plans of the Board and Board Committees, ensuring a pool of suitable candidates;</p> <p>Develops, implements and reviews the succession plan for the CEO, and the CET, and monitors the implementation of the succession plans and processes;</p> <p>Develops a CET vacancy filling procedure;</p> <p>Recommends to the Board the selection and dismissal of members of the CET;</p>	<p><del>Team annually and prepares descriptions of the required capabilities and qualifications for such memberships, and ensures the inclusion of the same within the Nomination and Appointment Policy and Procedure;</del></p> <p><del>Develops, implements and reviews the succession plans of the Board and Board Committees, ensuring a pool of suitable candidates;</del></p> <p><del>Develops, implements and reviews the succession plan for the CEO, and the CET, and monitors the implementation of the succession plans and processes;</del></p> <p><del>Develops a CET vacancy filling procedure;</del></p> <p><del>Recommends to the Board the selection and dismissal of members of the CET;</del></p> <p><del>Reviews and considers the succession plans of those below the CET level, as and when required by any Saudi Arabia regulations.</del></p> <p><del>With regard to Remuneration:</del></p> <p><del>Ensures that an annual remuneration review (internally through the internal audit function or externally via subject matter specialised firm) is conducted independently of executive management.</del></p> <p><del>Draws up clear policies regarding the compensations and remunerations of the Board, the Board Committees, and the CET, recommends to the Board for its approval to the GA of the same and thereafter ensures the implementation of such policies;</del></p>

Article	Before the amendment	After the amendment
	<p>Reviews and considers the succession plans of those below the CET level, as and when required by any Saudi Arabia regulations.</p> <p>With regard to Remuneration:</p> <p>Ensures that an annual remuneration review (internally through the internal audit function or externally via subject matter specialised firm) is conducted independently of executive management.</p> <p>Draws up clear policies regarding the compensations and remunerations of the Board, the Board Committees, and the CET, recommends to the Board for its approval to the GA of the same and thereafter ensures the implementation of such policies;</p> <p>Periodically reviews the remuneration policies assessing the effectiveness thereof in the support of the Company and employees' achievement of the objectives;</p> <p>Clarifies the relation between the paid remunerations and the approved and implemented policies, and highlighting any deviations from these policies;</p> <p>Makes recommendations to the Board on issues related to remuneration in accordance with the policies;</p> <p>Reviews and recommends to the Board the CEO's remuneration, incentive plans and performance KPI's;</p>	<p><del>Periodically reviews the remuneration policies assessing the effectiveness thereof in the support of the Company and employees' achievement of the objectives;</del></p> <p><del>Clarifies the relation between the paid remunerations and the approved and implemented policies, and highlighting any deviations from these policies;</del></p> <p><del>Makes recommendations to the Board on issues related to remuneration in accordance with the policies;</del></p> <p><del>Reviews and recommends to the Board the CEO's remuneration, incentive plans and performance KPI's;</del></p> <p><del>Reviews and supervises the compensation plans for the Executive Management;</del></p> <p><del>Reviews and approves the Company's: annual salary reviews, bonus KPI's, sales commission schemes, annual incentive/bonus payments, KPI's and nominees;</del></p> <p><del>Evaluates the performance and remuneration of the Board, Board members, Board Committees, and the Board Committees' members on a routine periodic basis, and including the assessment by the NRC, led by the NRC Chairman, of the Chairman of the Board's performance and remuneration.</del></p> <p><del>Through the Remuneration policies and procedures to;</del></p> <p><del>Ensure full adherence to, in terms of content, approval, disclosure and any other requirements, the relevant Saudi Arabia regulations;</del></p>

Article	Before the amendment	After the amendment
	<p>Reviews and supervises the compensation plans for the Executive Management;</p> <p>Reviews and approves the Company’s: annual salary reviews, bonus KPI’s, sales commission schemes, annual incentive/bonus payments, KPI’s and nominees;</p> <p>Evaluates the performance and remuneration of the Board, Board members, Board Committees, and the Board Committees’ members on a routine periodic basis, and including the assessment by the NRC, led by the NRC Chairman, of the Chairman of the Board’s performance and remuneration.</p> <p>Through the Remuneration policies and procedures to;</p> <p>Ensure full adherence to, in terms of content, approval, disclosure and any other requirements, the relevant Saudi Arabia regulations,</p> <p>Ensure aligned with the strategy and objectives of the Company, whilst considering the scale, nature and level of risks faced by the Company,</p> <p>Encourage Board members, Committee members, the Executive Management, and all employees, with incentives to achieve the sustained success, and the long-term development, of the Company;</p> <p>Consider role level, duties, responsibilities, educational qualifications, practical experience, skills and level of</p>	<p><del>Ensure aligned with the strategy and objectives of the Company, whilst considering the scale, nature and level of risks faced by the Company,</del></p> <p><del>Encourage Board members, Committee members, the Executive Management, and all employees, with incentives to achieve the sustained success, and the long-term development, of the Company;</del></p> <p><del>Consider role level, duties, responsibilities, educational qualifications, practical experience, skills and level of performance in the assessment of remunerations, in order to attract, and retain, talented professionals in a commercially sensible manner;</del></p> <p><del>Ensure the consideration of, and benchmarking to, the remuneration levels and practices of other similar listed companies (scale/sector), in the determination of the remuneration levels which Bupa Arabia pays in accordance with its respective remuneration policies;</del></p> <p><del>Consider where remunerations may be suspended, and/or recovered, if subsequently proven to be based upon inaccurate information provided by remuneration scheme member/participant, and in order to prevent the abuse of power or unmerited remunerations;</del></p> <p><del>Ensures members of the Board and Senior Management (except Sales Managers) shall not receive any commission or rewards based on sales-related activities.</del></p> <p><del>With regard to onboarding and training:</del></p> <p><del>Ensures full adherence to the training requirements of all the relevant Saudi Arabia regulations, and including but not limited to:</del></p>

Article	Before the amendment	After the amendment
	<p>performance in the assessment of remunerations, in order to attract, and retain, talented professionals in a commercially sensible manner;</p> <p>Ensure the consideration of, and benchmarking to, the remuneration levels and practices of other similar listed companies (scale/sector), in the determination of the remuneration levels which Bupa Arabia pays in accordance with its respective remuneration policies,</p> <p>Consider where remunerations may be suspended, and/or recovered, if subsequently proven to be based upon inaccurate information provided by remuneration scheme member/participant, and in order to prevent the abuse of power or unmerited remunerations,</p> <p>Ensures members of the Board and Senior Management (except Sales Managers) shall not receive any commission or rewards based on sales-related activities.</p> <p>With regard to onboarding and training:</p> <p>Ensures full adherence to the training requirements of all the relevant Saudi Arabia regulations, and including but not limited to:</p> <p>In coordination with the Company Board Secretary, and/or the Board Committees' Secretaries, provides job descriptions, which include the time members will be required to allocate, and ensures thorough induction programs for all the Board and Board Committee</p>	<p><del>In coordination with the Company Board Secretary, and/or the Board Committees' Secretaries, provides job descriptions, which include the time members will be required to allocate, and ensures thorough induction programs for all the Board and Board Committee members, including covering the obligations, duties, responsibilities and rights of the members, and to ensure followed thereafter by ongoing development training to ensure member skills are maintained and developed;</del></p> <p><del>Ensures thorough induction programs for the CET members, and to ensure followed thereafter by ongoing development training to ensure member skills are maintained and developed;</del></p> <p>The Board authorizes the Committee - within the scope of its responsibilities to:</p> <ul style="list-style-type: none"> <li>a) Engage external consultants to provide support to the Committee in performing its duties, as deemed necessary.</li> <li>b) Gain access to required resources in order to carry out its duties, including access to the Committee Secretary for assistance, as required.</li> </ul>

Article	Before the amendment	After the amendment
	<p>members, including covering the obligations, duties, responsibilities and rights of the members, and to ensure followed thereafter by ongoing development training to ensure member skills are maintained and developed,</p> <p>Ensures thorough induction programs for the CET members, and to ensure followed thereafter by ongoing development training to ensure member skills are maintained and developed,</p>	
<p><b>Article (7) – Reporting and Evaluating Performance Responsibilities Committee Duties and Responsibilities</b></p>	<p><b>The Board</b> – The Chairman of the Committee (or a Committee member nominated by the Chairman) shall report to the Board on the proceedings of each Committee meeting (in the subsequent Board meeting), and make appropriate recommendations.</p> <p><b>Recommendations</b> – The Committee shall make recommendations to the Board wherever it considers appropriate on any area within its remit where action or improvement is necessary.</p> <p><b>Committee Report</b> – The Committee shall assist the Board by preparing a Committee Report, and/or statement for inclusion in the Company’s Annual Report describing the role and responsibilities of the Committee and actions taken by the Committee during the relevant period to discharge those responsibilities. The statement shall also include the Committee’s evaluation of the Board, Board Committee, and CET member remunerations in relation to the respective GA approved remuneration policies.</p>	<p><del><b>The Board</b> – The Chairman of the Committee (or a Committee member nominated by the Chairman) shall report to the Board on the proceedings of each Committee meeting (in the subsequent Board meeting), and make appropriate recommendations.</del></p> <p><del><b>Recommendations</b> – The Committee shall make recommendations to the Board wherever it considers appropriate on any area within its remit where action or improvement is necessary.</del></p> <p><del><b>Committee Report</b> – The Committee shall assist the Board by preparing a Committee Report, and/or statement for inclusion in the Company’s Annual Report describing the role and responsibilities of the Committee and actions taken by the Committee during the relevant period to discharge those responsibilities. The statement shall also include the Committee’s evaluation of the Board, Board Committee, and CET member remunerations in relation to the respective GA approved remuneration policies.</del></p> <p><del><b>General Assembly (GA) Meetings</b> – The Chairman of the Committee, or Committee member delegated by the Chairman if applicable, must attend the Company’s GA Meeting(s) so as to be</del></p>

Article	Before the amendment	After the amendment
	<p><b>General Assembly (GA) Meetings</b> – The Chairman of the Committee, or Committee member delegated by the Chairman if applicable, must attend the Company’s GA Meeting(s) so as to be available to respond to any questions of the Shareholders on the Committee’s activities and areas of responsibility.</p> <p><b>Evaluation of Performance</b> – The Committee shall assess the achievement of the duties specified in the Charter and report the findings to the Board. The Committee shall also, led by the NRC Chairman, periodically perform a performance evaluation assessment of the Chairman of the Board.</p> <p><b>Disclosure requirements</b> – The Committee shall support the Board in satisfactorily ensuring the required remuneration details are appropriately disclosed within the Company’s Annual Report, in adherence to the CMA Corporate Governance Regulations, and all other applicable Saudi Arabia regulatory requirements.</p>	<p><del>available to respond to any questions of the Shareholders on the Committee’s activities and areas of responsibility.</del></p> <p><del><b>Evaluation of Performance</b> – The Committee shall assess the achievement of the duties specified in the Charter and report the findings to the Board. The Committee shall also, led by the NRC Chairman, periodically perform a performance evaluation assessment of the Chairman of the Board.</del></p> <p><del><b>Disclosure requirements</b> – The Committee shall support the Board in satisfactorily ensuring the required remuneration details are appropriately disclosed within the Company’s Annual Report, in adherence to the CMA Corporate Governance Regulations, and all other applicable Saudi Arabia regulatory requirements.</del></p> <p>In addition to any other regulatory or supervisory requirements, the duties of the Committee shall include, but not be limited to, the following:</p> <p>With regard to Nominations:</p> <ol style="list-style-type: none"> <li>a) Preparing a policy and criteria for membership of the Board of Directors, and recommending them to the Board for approval by the Company’s General Assembly.</li> <li>b) Recommending to the Board the names of candidates for Board membership in accordance with the approved membership policy.</li> <li>c) Conducting an annual review of the skills and expertise required for Board membership and updating the description of the required capabilities and qualifications whenever needed.</li> </ol>

**Proposed Amendments to the Nomination and Remuneration Committee Charter for Presentation to the Extraordinary General Assembly of Bupa Arabia for Cooperative Insurance**

Annex to the agenda of the Extraordinary General Assembly Meeting on the Demerger of Bupa Arabia for Cooperative Insurance Company

Article	Before the amendment	After the amendment
		<p>d) Reviewing the number of Board seats and its composition and providing recommendations regarding any changes that may be required.</p> <p>e) Establishing procedures in the event a seat of a Board member or committee member becomes vacant, and making recommendations in this regard.</p> <p>f) Recommending to the Board performance standards for evaluating the work of the Board, its members, and its committees.</p> <p>g) Evaluating the Board and its committees based on performance standards, reporting the evaluation results to the Board, and proposing remedies for the results, as needed, in a manner that aligns with the Company’s interests, based on the Committee’s opinion.</p> <p>With regard to Remuneration:</p> <p>a) Preparing the remuneration policy for Board members, its committees, and the Company’s senior executives, and recommending it to the Board for approval by the General Assembly.</p> <p>b) Periodically reviewing the remuneration policy to ensure its alignment with changes in relevant laws and regulations, the Company’s strategic objectives, and the skills and qualifications required to achieve them, and recommending proposed amendments to the Board.</p> <p>c) Recommending to the Board the remuneration of Board members, committee members, and senior executives in accordance with the approved policy.</p>

Article	Before the amendment	After the amendment
		<p>d) Defining and clarifying the relationship between the remunerations granted and the applicable remuneration policy, and identifying any material deviation from such policy.</p> <p>e) Reviewing and recommending to the Board the CEO’s remuneration, incentive plans, and key performance indicators.</p> <p>f) Reviewing and approving within the Company the following: annual salary reviews, KPI-based bonuses, sales commissions, incentive payments, annual bonuses, KPIs, and nominations.</p> <p>g) Conducting an annual evaluation of the performance of the Board, Board members, Board committees, and their members, including the evaluation of the Nomination and Remuneration Committee chaired by the Committee Chairperson for remuneration purposes, and the performance of the Board Chairperson.</p> <p>With regard to Board Members:</p> <p>a) Determining the time that Board members must devote to fulfilling their duties.</p> <p>b) Ensuring annually the independence of independent members and verifying the absence of any conflict of interest in cases where a member holds a seat on the board of another company.</p> <p>c) Developing job descriptions for executive members, non-executive members, and independent members.</p> <p>d) Recommending to the Board the re-nomination or removal of Board or Committee members.</p> <p>With regard to the Induction of New Members:</p>

Article	Before the amendment	After the amendment
		<p>Ensuring compliance with training requirements in accordance with relevant regulations, including, without limitation, recommending to the Board the establishment of an induction program for new Board and committee members. The program shall cover the Company’s activities, nature of its business, financial and legal aspects, the obligations, duties, and responsibilities of the members, as well as their rights, in addition to ongoing development training to ensure maintaining and enhancing members’ skills.</p> <p>With regard to Senior Executives:</p> <ul style="list-style-type: none"> <li>a) Recommending to the Board suitable policies and criteria for the appointment of senior executives and determining the required capabilities and skills, and periodically reviewing such policies to ensure their alignment with changes in the Company’s strategic objectives and the skills and qualifications necessary to achieve them.</li> <li>b) Developing job descriptions for senior executives and reviewing the Company’s organizational structure, and submitting recommendations to the Board regarding any required changes.</li> <li>c) Establishing succession planning procedures for senior executive positions and recommending them to the Board.</li> <li>d) Conducting an annual review of the skills and expertise required for senior executive positions.</li> </ul>
<p><b>Article (8) – Remuneration of Committee Members</b></p>	<p>The Committee shall develop, implement and review its own Charter annually and shall thereafter recommend its revised Charter for the Board’s approval.</p>	<p><del>The Committee shall develop, implement and review its own Charter annually and shall thereafter recommend its revised Charter for the Board’s approval.</del></p>

**Proposed Amendments to the Nomination and Remuneration Committee Charter for Presentation to the Extraordinary General Assembly of Bupa Arabia for Cooperative Insurance**

Annex to the agenda of the Extraordinary General Assembly Meeting on the Demerger of Bupa Arabia for Cooperative Insurance Company

Article	Before the amendment	After the amendment
<p><b>Review of the Committee Charter</b></p>	<p>Thereafter, the Committee shall ensure that the revised Charter is approved by the Board, and if necessary by Bupa Arabia’s regulator(s) and/or public shareholders, as deemed applicable.</p> <p>The Committee shall make available the Charter (explaining the role and the authority delegated to it by the Board) on request and by including the information on the Company’s website.</p>	<p><del>Thereafter, the Committee shall ensure that the revised Charter is approved by the Board, and if necessary by Bupa Arabia’s regulator(s) and/or public shareholders, as deemed applicable.</del></p> <p><del>The Committee shall make available the Charter (explaining the role and the authority delegated to it by the Board) on request and by including the information on the Company’s website.</del></p> <p>8.1. A Committee member shall be entitled to an annual remuneration in accordance with the remuneration policy previously approved by the General Assembly.</p> <p>8.2. The Company shall have the right to claim compensation for any damages incurred and to recover any remunerations, compensations, or other costs incurred by the Company to facilitate the member’s fulfillment of his responsibilities, if the member commits any act that constitutes fraud, dishonesty, or breach of trust, or materially violates the laws and regulations of the Kingdom of Saudi Arabia or any other country, or fails to fulfill his responsibilities, duties, and obligations.</p>
<p><b>Article (9) – Review of the Committee Charter Corporate Governance Standards</b></p>	<p>The Company Corporate Governance Standards are defined in the Company Code of Corporate Governance (CCG).</p>	<p><del>The Company Corporate Governance Standards are defined in the Company Code of Corporate Governance (CCG).</del></p> <p>The Committee shall periodically review this Charter for the purpose of developing and updating it in line with relevant laws and regulations. No amendment may be made to it except upon a recommendation from the Board of Directors, and it must be presented to the General Assembly for approval.</p>

Article	Before the amendment	After the amendment
<p><del>Article (10)– Definitions</del></p>	<p>The standard Company definitions, and acronyms, applicable throughout the Corporate Governance Framework (CGF), Code of Corporate Governance (CCG), and the Board and the Board Committees’ Charters, are defined within the “Definitions and Acronyms” section of the CCG.</p>	<p><del>The standard Company definitions, and acronyms, applicable throughout the Corporate Governance Framework (CGF), Code of Corporate Governance (CCG), and the Board and the Board Committees’ Charters, are defined within the “Definitions and Acronyms” section of the CCG.</del></p>



## **Amend Company's Policy of Long Term Incentive Plan (LTIP):**

- New Company's Policy of Long Term Incentive Plan (LTIP)**
- Old Company's Policy of Long Term Incentive Plan (LTIP)**
- Comparison table new (LTIP) Policy and old (LTIP) Policy**

DOC NUMBER	
ISSUE DATE	REPLACES
APPROVAL	



# Bupa Arabia Long Term Incentive Plan (LTIP) Policy

Bupa Arabia – Total Rewards, December 2025

## Contents

1. DEFINITIONS .....	4
2. PURPOSE .....	4
3. SCOPE .....	4
4. ACCESSABILITY AND ACCOUNTABILITY .....	4
5. ROLES AND RESPONSIBILITIES .....	5
6. GENERAL POLICY GUIDELINES.....	4

Rev. No.		Revision Date	Revised By	Approved By	Brief Description of Changes
1		30 June 2019	NRC and Board	EGM	New Document
2		30 June 2024	NRC and Board	EGM	Enhancements in General policy Guidelines
	[●]	[●]	[●]	[●]	[●]

## 1. DEFINITIONS

Term	Definition
<b>LTIP</b>	Long Term Incentive Plan
<b>EGA</b>	Extraordinary General Assembly
<b>Board</b>	Board of Directors
<b>NRC</b>	Nomination and Remuneration Committee
<b>CEO</b>	Chief Executive Officer
<b>CHRO</b>	Chief Human Resources Officer
<b>CET Band</b>	Employees at level 12
<b>Executive Management Band</b>	Employees at level 10 and 11
<b>Senior Management Band</b>	Employees at Level 9
<b>Participant</b>	An employee selected to be part of the LTIP
<b>Performance Shares</b>	Conditional rights to receive a certain number of Bupa Arabia shares
<b>Vesting</b>	The process by which the participant earns the right to the shares after meeting certain conditions over a specified period of time
<b>Grant Date</b>	The date on which the employee is informed of their shares entitlement
<b>Vesting Date</b>	The date on which the shares become the property of the participant
<b>Rolling Scheme</b>	Plans that are initiated annually and the participant are eligible to be invited to each new cycle initiated based on the eligibility criteria
<b>Block Scheme</b>	A discretionary plan where eligibility, fund allocation and vesting periods are determined by the NRC and approved by the board based on company-specific needs and strategic goals

## 2. PURPOSE

The purpose of the LTIP is to incentivize participants to achieve the company's long-term goals, attract and retain top performers, and align their interests with those of the shareholders. The plan aims to reward participants for their contributions to the company's success and ensure sustained performance.

## 3. SCOPE

This policy applies to employees of Bupa Arabia's Group (Bupa Arabia Holding and its subsidiaries) in Senior Management band and above. It covers the rules, conditions, and processes for awarding, granting, and vesting performance shares under the LTIP.

## 4. ACCESSABILITY AND ACCOUNTABILITY

The LTIP documentation is accessible to all eligible employees. The NRC is responsible for overseeing the plan's implementation and ensuring it aligns with Bupa Arabia's goals and market best practices. Participants are accountable for understanding the LTIP terms and fulfilling the performance conditions.

## 5. ROLES AND RESPONSIBILITIES

**GA** – Approves LTIP Granting fund and rules changes.

**Board** – Approves LTIP performance measures. Reviews and calibrates LTIP Granting fund, rules, and performance measures. Makes recommendations to GA regarding LTIP Granting fund and rules changes.

**NRC** – Approves vesting. Reviews and calibrates performance results for vesting. Make recommendations to the Board regarding LTIP Granting fund, rules, performance measures, and changes.

**CEO and CHRO** – Recommend nominees for the LTIP to the NRC. Oversee the nomination and administration process.

**Participants** – Ensure they understand the LTIP rules, maintain performance standards, and manage their personal shares portfolio accounts for receiving vested shares.

## 6. GENERAL POLICY GUIDELINES:

### 6.1 Features of the LTIP:

- Rolling Scheme:
  - The scheme is a three-year rolling scheme (initiated annually)
  - Rewards are based on the achievement of the long-term goals of the company.
  - The plan has a performance threshold of 85% and is capped at 100% achievement.
  - Performance shares are awarded conditionally and become vested after meeting company performance measures and participant performance conditions over the three-year period.
- Block Scheme:
  - The scheme is a block scheme with vesting periods recommended by NRC and approved by the board.
  - Rewards are based on the achievement of the long-term strategic goals of the company.
  - Performance shares are awarded conditionally and become vested after meeting company performance measures and participant performance conditions over the five-year period.

### 6.2 Cycles Duration:

- The LTIP cycles start in January of the first year of the cycle and concludes by December of the last year of the cycle, depending on the number of years in the cycle.

### 6.3 Participant Selection Conditions:

- Nomination Criteria:
  - Nomination is subject to NRC approval based on CEO and CHRO recommendations, or the recommendations of the CEO of any of the subsidiaries, as applicable.
  - Nominees must be active employees in bands Senior Management, Executive Management, CET, either at the Company or at any of its subsidiaries.
  - Performance rating of at least 3 in the previous year's appraisal.
  - New employees in CET and Executive Management bands must have commenced employment on or before January 1st of the current year to join the current year's scheme. If after January 1<sup>st</sup>, they join the next year's scheme.
  - New employees in Senior Management Band must have a minimum performance rating of 3 while they are on the senior management band to be eligible for nomination.

- Retrospective and early joining of participants to already commenced LTIP cycles may be allowed for employees who have completed more than half of the first year of a fiscal period, subject to CEO and CHRO recommendation and NRC approval.
- Nomination Process:
  - The CEO and CHRO, or the CEO of any of the subsidiaries as applicable, recommend eligible nominees to the NRC.
  - NRC reviews the recommendations and approves participants based on eligibility criteria and company requirements.
  - Participation is not guaranteed and is subject to NRC's discretion.

## 6.4 Performance Conditions:

- Participants individual performance conditions:
  - If a participant's performance score falls below 3 in one of the cycle's years, they lose the nomination for the next cycle but maintain the benefit of the existing cycle.
  - If a participant's performance score falls below 3 in two of the cycle's years, they lose the nomination for the next two cycles and forfeit all benefits of the existing cycle, unless exceptionally approved otherwise by the NRC.
- Organizational performance conditions:
  - The NRC establishes specific performance measures for each cycle at the start of the cycle.
  - These measures typically include financial metrics such as net profit, profit margins, and other key performance indicators (KPIs) relevant to the company's strategic objectives.
  - The performance measures are reviewed and approved by the NRC for each new cycle.
  - Once approved, these measures remain fixed for the entire cycle, ensuring consistency and clarity in performance expectations.

## 6.5 Entitlement Calculation:

- Rolling Scheme
  - CEO: As per the CEO's contract.
  - CET Band: 50% of annual basic salary.
  - Executive Management Band: 30% of annual basic salary.
  - Senior Management Band: 25% of annual basic salary.
- Block Scheme
  - NRC recommend and Board approve discretionary amount for each participant.

## 6.6 Vesting Process:

- NRC reviews and approves performance against measures.
  - The LTIP has a performance threshold of 85%, below which no shares will vest.
  - Achievement of the performance measures is capped at 100%.
  - If the aggregate score of the performance measures is 85%, 85% of the performance shares will vest.
  - If the aggregate score reaches 100%, 100% of the performance shares will vest.
  - Between 85% and 100%, the vesting is calculated on a straight-line basis.
- Participants informed of their entitlement via the LTIP Vesting Certificate.
- Shares transferred to participants' personal accounts outside CMA prohibition periods.

## 6.7 Rules for Leavers:

- Resignation: Vested but unpaid benefits are retained; unvested benefits are forfeited.
- Termination: All benefits are forfeited.
- Redundancy: Vested benefits retained; unvested benefits forfeited.
- Retirement/Death: Vested benefits retained; unvested benefits proportionally calculated and paid after vesting.

- Mutual Separation agreements: NRC will evaluate and recommend to the Board the vested benefits.
- Transfer of the Employee between the Group companies due to restructuring or demerger: benefits are retained, the employee's service is considered continuing and there shall be no impact on the employee's entitlement.

## 6.8 Administration:

### 6.8.1 Grant Process and Date:

- Following NRC approval of the nominated list of participants, and Board and GA approval on shares buying fund, shares are purchased by Bupa Arabia portfolio manager on behalf of the LTIP participants.
- Participants are informed of their shares entitlement through the LTIP Award Certificate.
- The grant date is the date on which the employee is informed of their shares entitlement as per the LTIP Award Certificate date.

### 6.8.2 Management of Shares:

- Shares purchased for the LTIP are held by Bupa Arabia portfolio manager in the Bupa Arabia "Bupa employees Long Term Incentive Plan" regular shares portfolio account.
- During the vesting period, any cash dividends paid on the shares are accumulated by Bupa Arabia portfolio manager in the same account.
- After vesting, accumulated dividends are paid proportionately to participants based on their shares entitlement.
- Any additional shares received due to company actions (e.g., bonus shares, share splits) are proportionately allocated to participants after vesting.

### 6.8.3 Vesting Process and Date:

- After the completion of the performance plan period, the NRC reviews and calibrates the company's performance against the approved Key Performance Measures.
- NRC approves the final vesting of shares and participants are informed of their entitlement via the LTIP Vesting Certificate.
- The vesting date is the date on which the employee is informed of the shares entitlement benefit as per the LTIP Vesting Certificate date.
- The NRC ensures that the transfer of shares takes place outside of CMA prohibition periods, unless allowed by the relevant regulatory authorities.

### 6.8.4 Transfer of Shares:

- Post-vesting, the NRC approves the transfer of shares to participants' personal shares portfolio accounts.
- Participants must provide their personal share portfolio account details for the transfer.
- Bupa Arabia portfolio manager coordinates the transfer of shares from the Bupa Arabia LTIP account to the individual participant's account.

### 6.8.5 Handling Surplus Shares:

- Any surplus shares from forfeited awards are held and accounted for funding future LTIP cycles.
- Surplus shares reduce the cash transfer required for the next cycle's shares purchase.

### 6.8.6 Participant Responsibilities:

- Participants must open and manage their personal shares portfolio accounts to receive vested shares.
- They are responsible for understanding LTIP rules and maintaining required performance standards.

## **6.8.7 Communication:**

- Participants receive detailed information through the LTIP Award and Vesting Certificates.
- Communication includes entitlement details, performance measures, and responsibilities regarding share price fluctuations.

## **6.8.8 Compliance and Oversight:**

- This plan is subject to regular reviews and approvals by the NRC to ensure compliance with company objectives and market practices.
- The NRC has the discretion to make amendments to the plan and to approve exceptional cases.

DOC NUMBER	
ISSUE DATE	REPLACES
APPROVAL	



# Bupa Arabia Long Term Incentive Plan (LTIP) Policy

Bupa Arabia – Total Rewards, May 2024

## Contents

- 1. DEFINITIONS ..... 4
- 2. PURPOSE ..... 4
- 3. SCOPE ..... 4
- 4. ACCESSABILITY AND ACCOUNTABILITY ..... 4
- 5. ROLES AND RESPONSIBILITIES ..... 5
- 6. GENERAL POLICY GUIDELINES..... 4
- 7. Approvals..... 5

Rev. No.		Revision Date	Revised By	Approved By	Brief Description of Changes
1		30 June 2019	NRC and Board	EGM	New Document
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  - CEO and CHRO recommend eligible nominees to the NRC.
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- Termination: All benefits are forfeited.
- Redundancy: Vested benefits retained; unvested benefits forfeited.
- Retirement/Death: Vested benefits retained; unvested benefits proportionally calculated and paid after vesting.
- Mutual Separation agreements: NRC will evaluate and recommend to the Board the vested benefits.

## 6.8 Administration:

### 6.8.1 Grant Process and Date:

- Following NRC approval of the nominated list of participants, and Board and GA approval on shares buying fund, shares are purchased by Bupa Arabia portfolio manager on behalf of the LTIP participants.
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- Bupa Arabia portfolio manager coordinates the transfer of shares from the Bupa Arabia LTIP account to the individual participant’s account.

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- Surplus shares reduce the cash transfer required for the next cycle’s shares purchase.

### 6.8.6 Participant Responsibilities:

- Participants must open and manage their personal shares portfolio accounts to receive vested shares.
- They are responsible for understanding LTIP rules and maintaining required performance standards.

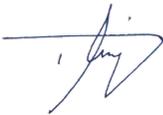
### 6.8.7 Communication:

- Participants receive detailed information through the LTIP Award and Vesting Certificates.
- Communication includes entitlement details, performance measures, and responsibilities regarding share price fluctuations.

## 6.8.8 Compliance and Oversight:

- This plan is subject to regular reviews and approvals by the NRC to ensure compliance with company objectives and market practices.
- The NRC has the discretion to make amendments to the plan and to approve exceptional cases.

## 7. APPROVALS

<b>PREPARED BY</b>	Tariq Darwish	Director – Total Rewards	
<b>REVIEWED BY</b>	Turki Albuluwi	Senior Director – Total Rewards	
<b>REVIEWED BY</b>	Bushra Alqonisi	Senior Executive Manager – Internal Corporate Governance	
<b>ENDORSED BY</b>	Tariq Alamoudi	CHRO	
<b>ENDORSED BY</b>			
<b>APPROVED BY</b>	NRC		
<b>APPROVED BY</b>	Board		
<b>APPROVED BY</b>	EGM		

**Bupa Arabia Long Term Incentive Plan (LTIP) Policy**

Article	Before the amendment		After the amendment	
<b>Article (3) – Scope</b>	This policy applies to employees of Bupa Arabia in Senior Management band and above. It covers the rules, conditions, and processes for awarding, granting, and vesting performance shares under the LTIP.		This policy applies to employees of Bupa Arabia’s Group (Bupa Arabia Holding and its subsidiaries) in Senior Management band and above. It covers the rules, conditions, and processes for awarding, granting, and vesting performance shares under the LTIP.	
<b>Sub-paragraph (6.3) of Article (6) - Participant Selection Conditions</b>	Nomination is subject to NRC approval based on CEO and CHRO recommendations.		Nomination is subject to NRC approval based on CEO and CHRO recommendations, or the recommendations of the CEO of any of the subsidiaries, as applicable.	
<b>Sub-paragraph (6.3) of Article (6) - Participant Selection Conditions</b>	Nominees must be active employees in bands Senior Management, Executive Management, CET.		Nominees must be active employees in bands Senior Management, Executive Management, CET, either at the Company or at any of its subsidiaries.	
<b>Sub-paragraph (6.3) of Article (6) - Participant Selection Conditions</b>	CEO and CHRO, recommend eligible nominees to the NRC.		The CEO and CHRO, or the of the CEO of any of the subsidiaries as applicable, recommend eligible nominees to the NRC.	
<b>Sub-paragraph (6.7) of Article (6) - Rules for Leavers</b>	<u>Resignation</u>	Vested but unpaid benefits are retained; unvested benefits are forfeited.	<u>Resignation</u>	Vested but unpaid benefits are retained; unvested benefits are forfeited.

Proposed Amendments to Bupa Arabia Long Term Incentive Plan (LTIP) Policy

Article	Before the amendment		After the amendment	
	<u>Termination</u>	All benefits are forfeited.	<u>Termination</u>	All benefits are forfeited.
	<u>Redundancy</u>	Vested benefits retained; unvested benefits forfeited.	<u>Redundancy</u>	Vested benefits retained; unvested benefits forfeited.
	<u>Retirement/Death</u>	Vested benefits retained; unvested benefits proportionally calculated and paid after vesting.	<u>Retirement/Death</u>	Vested benefits retained; unvested benefits proportionally calculated and paid after vesting.
	<u>Mutual Separation agreements</u>	NRC will evaluate and recommend to the Board the vested benefits.	<u>Mutual Separation agreements</u>	NRC will evaluate and recommend to the Board the vested benefits.
			<u>Transfer of the Employee between the Group companies due to restructuring or demerger</u>	benefits are retained, the employee's service is considered continuing and there shall be no impact on the employee's entitlement.



## **Amend The Board of Directors charter:**

- **New Board of Directors charter**
- **Old Board of Directors charter**
- **Comparison table new Board of Directors charter and old Board of Directors charter**



**BUPA ARABIA FOR COOPERATIVE INSURANCE COMPANY**  
**(“Bupa Arabia”, “the Company”)**  
**BOARD OF DIRECTORS (“Board”)**  
**CHARTER**

<b>1. OBJECTIVE</b>
These Procedures set forth the Board’s duties and responsibilities, the Board’s organizational structure, the manner in which the Board carries out its activities, the role of Board members and procedures to ensure compliance with the Companies Law, the Corporate Governance Regulations and other Capital Market Authority (the “CMA”) regulations, the Company’s Bylaws, other relevant laws and regulations, and corporate governance principles and best practices.
<b>2. DEFINITIONS</b>
The terms used in this Policy shall have the same meaning ascribed to them in the CMA’s applicable rules unless the context requires otherwise.
<b>3. BOARD COMPOSITION</b>
<b>1.1</b> The Company shall be managed by a Board composed of nine (9) members elected by the shareholders’ Ordinary General Assembly for a term not exceeding four years.
<b>1.2</b> In the event that a seat on the Board of Directors becomes vacant, and such vacancy does not result in the Board failing to meet the minimum number of members required for its valid convening, the Board may appoint a temporary member to fill the vacancy, provided that the appointee possesses the necessary experience and competence. The Commercial Register and the CMA must be notified of the appointment within fifteen (15) days from the date of appointment, and the appointment must be presented to the next ordinary general assembly for approval. The newly appointed member shall complete the remaining term of his predecessor.
<b>1.3</b> The Board shall appoint a Chairperson from among its members. Also, the Board shall appoint a Vice Chairperson and may appoint a managing director.
<b>1.4</b> In the event of a change in the Board’s composition, the Board shall take all necessary steps to complete all required notifications and submissions to the relevant regulators in accordance with applicable laws and regulations.
<b>4. BOARD DUTIES AND RESPONSIBILITIES</b>
The Board shall carry out its duties and responsibilities in compliance with the Companies Law, the Company’s Bylaws and other relevant regulations, which include but are not limited to the following:
<b>1.5 Internal Control System</b>
(a) Developing an adequate written conflict of interest policy.
(b) Establishing, overseeing, and annually reviewing the effectiveness of the Company’s internal control procedures.
(c) Ensuring the integrity of the Company’s financial and accounting rules, including rules relating to the preparation of financial reports.
(d) Ensuring the implementation of appropriate control procedures for risk assessment and management by generally forecasting the risks that the Company may encounter, creating a culture of risk management at the Company level, and transparently disclosing, as appropriate, such risks to the stakeholders and other related parties.

<b>1.2 Strategic Direction and Goals</b>
(a) Setting and reviewing the Company's main corporate objectives, strategic plans and overall key performance indicators, including overall oversight of their implementation.
(b) Approving the Company's main annual business plans and budgets and ensuring the availability of financial and human resources necessary to achieve the Company's strategy and objectives.
(c) Determining the most appropriate capital structure for the Company, its strategies and financial objectives, and approving estimated budgets.
(d) Overseeing the main capital expenditures of the Company and the acquisition or disposal of assets.
(e) Supervising the management of the Company's finances, its cash flows as well as its financial and credit relationships with third parties.
(f) Developing and regularly reviewing the Company's organizational structure to ensure that it enhances the Company's ability to achieve its objectives.
<b>5. BOARD POWERS</b>
Subject to the matters reserved for the General Assembly, the Board has all the powers and authorities necessary to manage the Company.
<b>6. DELEGATION TO THE CEO</b>
The Board may delegate some of its authorities to the Chief Executive Officer. Some of these authorities may be specified in a Master Authority Schedule (or equivalent document) approved by the Board.
<b>7. BOARD OPERATION CONTROLS</b>
The Board shall function pursuant to the procedures set forth below and with the powers detailed below assigned to the Chairperson, Vice Chairperson, Secretary, and other members.
<b>1.3 Powers of the Chairperson, Vice Chairperson and Secretary</b>
(a) Without prejudice to the powers of the Board, the Chairperson shall be responsible for leading the Board and supervising its operations and the effective performance of its duties. The competencies and duties of the Chairperson shall in particular include the authorities set out in the Company's Bylaws.
(b) The Chairperson may delegate any of his/her powers - within the limits of his/her authority - to one or more members of the Board or to a third party to take any action, conduct or carry out certain work or actions on his/her behalf in his/her capacity as Chairperson, as well as the right to grant the Board member or third party the authority to delegate these powers to others.
(c) The Board shall appoint a Secretary from amongst its members or otherwise, and the duties of the Secretary shall be to record the Board's meeting in a special register and other duties assigned to the Secretary by the Board and the relevant rules and regulations. The Secretary's remuneration shall be set by the Board.
(d) The term of the Chairperson, Vice Chairperson, Board member, and the Secretary shall not exceed the term of their membership on the Board, and they may be re-elected, and the Board may at any time dismiss them or any of them without prejudice to the right of those dismissed for compensation if the dismissal occurred for an unlawful reason or at an unsuitable time.
<b>1.4 Board Member's Responsibilities</b>
Each member of the Board shall perform the following tasks and duties:
(a) Comply with the principles of truthfulness, honesty, loyalty, and care for the interests of the Company and its shareholders, and prioritize the Company and its shareholders' interests over the member's own interests.
(b) Provide proposals to develop the Company's strategy.
(c) Monitor the performance of the executive management and the extent to which it has achieved the objectives and purposes of the Company.
(d) Review reports related to the Company's performance.
(e) Ensure the integrity and impartiality of the financial statements and other records of the Company.
(f) Ensure that the Company's financial control and risk management systems are sound.

(g)	Express opinions as to the appointment and dismissal of members of the executive management.
(h)	Participate in developing succession plans for executive positions within the Company.
(i)	Comply with the provisions of the Companies Law, Capital Market Law, their implementing regulations, the relevant regulations, and the Company's Bylaws when performing the duties as a member of the Board and abstaining from taking or participating in any action that would constitute mismanagement of the Company's affairs.
(j)	Attend the Board and the general assembly meetings, and not be absent from Board meetings except for legitimate excuses for which the Chairperson shall (other than for emergencies) be provided prior notice.
(k)	Allocate sufficient time to fulfil the responsibilities and prepare for the Board and Board committee meetings and effectively participate therein, including by raising relevant questions and carrying out discussions with the senior executives.
(l)	Study and analyze all information related to the matters looked into by the Board before expressing an opinion on the same.
(m)	Enable other Board members to express their opinions freely, and encourage the Board to deliberate freely and obtain the views of the competent members of the Company's executive management and others, when appropriate.
(n)	Refrain from disclosing or announcing any secrets the members possess through their Board membership to any persons or entities, unless such disclosure is made during meetings of the General Assembly or in accordance with the provisions of the Companies Law, the Capital Market Law and their implementing regulations and the Company's contracts.
(o)	Work on the basis of complete information, in good faith and with the necessary care and diligence in the interest of the Company and its shareholders.
(p)	Recognize the duties, roles and responsibilities arising from the Board membership.
(q)	Develop their knowledge of the Company's business and activities and in related financial, commercial and industrial fields.
(r)	Resign from the Board if the member is unable to fully fulfil Board membership duties.
<b>1.3</b>	<b>Board Meetings</b>
(a)	The Board will meet at least four times per year, at the invitation of the Chairperson. The Chairperson must convene a meeting of the Board if requested to do so by one Board member.
(b)	The Board shall aim to approve the initial dates and agendas of the meetings of each financial year before such year starts. Board meeting invitations shall be sent to Board members at least five days in advance of a meeting and shall be accompanied by the agenda and the documents and information necessary for discussing and deciding on the agenda items, provided that such notice requirement may be waived by Board members. If circumstances require convening an emergency meeting, the invitation accompanying the agenda and necessary documents and other information may be sent within a period less than five days.
(c)	The Board shall hold its meetings at the Company's headquarters or elsewhere. Meetings of the Board may be held by telephone or other means of communication, provided that it permits all Board members present to actively participate, discuss, and vote on resolutions.
(d)	A meeting of the Board is valid only if attended by at least one half of the members. A member of the Board may give proxy to another member of the Board to attend the meeting on his/her behalf according to relevant internal policies, provided that: <ol style="list-style-type: none"> <li>(1) a Board member may not act as proxy for more than one other Board member at the same Board meeting;</li> <li>(2) the proxy arrangement must be documented in writing; and</li> <li>(3) the Board member acting as proxy may not, in his capacity as proxy, vote on matters on which the member who assigned the proxy is not allowed to vote.</li> </ol>
(e)	Resolutions of the Board are adopted by majority of votes present and represented. In the case of a tie, the meeting's chair has the casting vote.

(f)	The Board may adopt resolutions in urgent matters by presenting them to <del>all</del> the members individually, unless a member requests (in writing) that the Board be convened to deliberate on such resolutions, in which case the circular resolution will be presented to the Board at its next meeting to record it in the meeting minutes. Such a resolution will be effective if signed by the majority of the Board.
<b>1.4</b>	<b>Board Meetings Documentation</b>
(g)	The Secretary prepares minutes of meeting which must include at least:
	(1) The venue, date, and start and end time of the meeting.
	(2) Names of present and absent members, and any other attendee.
	(3) Board deliberations and resolutions together with the results of votes and reasons for objections, if any.
	(4) Specifying the person(s) responsible for implementing the resolution(s).
(h)	The Secretary sends the draft minutes of meetings to Board members. Members must record their comments, if any, on the draft within a maximum period of five (5) working days from the date of receiving the draft minutes.
(i)	After incorporating any Board members comments into the draft minutes, and after the Chairperson's approval, the Secretary sends the amended draft to the Board members in preparation for approval at the next Board meeting.
(j)	The minutes of Board meetings, accompanied by meeting agendas and all related documents, shall be maintained in a special register signed by the Chairperson and Secretary.
<b>1.5</b>	<b>Board Operations Follow-up</b>
The Secretary shall update the Chairperson regarding the status of the Board's recommendations and resolutions in order for the Chairperson to present these updates periodically to the Board.	
<b>1.6</b>	<b>Board Performance Evaluation</b>
The Board reviews its performance on a regular basis concerning its effectiveness in carrying out its duties and responsibilities and achieving its objectives.	
<b>8.</b>	<b>BOARD MEMBERS TRAINING</b>
<b>1.7</b>	The Chairperson, with the assistance of the Remuneration and Nomination Committee, shall oversee the orientation program for new members, provided that the program includes at least the following:
	(a) Company's business activities.
	(b) Company's strategy and future objectives.
	(c) Company's organizational structure and the roles of each department.
	(d) Financial and operational aspects of the Company's business.
	(e) Board members obligations, duties, responsibilities, and rights.
	(f) Functions of the Board committees and their competencies.
	(g) Conducting visits to any of the Company's locations and affiliates (as appropriate).
<b>1.8</b>	The Board, upon the recommendation of the Remuneration and Nomination Committee, shall define an ongoing development program for its members. The program will be based on the annual review of the skills and abilities required of members, identified weaknesses and strengths of the Board, proposed remedies, taking into consideration, given the Company's appropriate interests, the changes in the external market environment, current issues, and economic developments.
<b>9.</b>	<b>BOARD CONFLICT OF INTEREST</b>
Any conflicts of interest shall be dealt with in accordance with the Company's Conflicts of Interest Policy.	
<b>10.</b>	<b>BOARD MEMBERS REMUNERATION</b>
<b>1.9</b>	The remuneration of the Board members may consist of a fixed fee, an attendance allowance for meetings, in-kind benefits, or a percentage of net profits. When determining the remuneration amount, the provisions of the Companies Law and its implementing regulations, as well as the Company's Remuneration Policy, shall be taken into consideration.
<b>1.2</b>	The Board report to be submitted to the Ordinary General Assembly shall include a comprehensive statement of all amounts received by Board members during the fiscal year, including bonuses, attendance allowances, and other benefits. The Board report shall also include a statement of the amounts received by Board members

in their capacity as officers, administrators or any other amounts received thereby in consideration for technical or administrative activities or consultations. The Board report shall include, as well, a statement of the number of Board meetings and the number of Board meetings attended by each member since the date of the last meeting of the general assembly.

**11. FINAL PROVISIONS**

1.3 This Policy are subject to regular review for enhancement and keeping updated in line with the relevant laws and regulations.

1.2 This Policy shall take effect from the date of its approval by the Board, which was on [●]/[●]/1447H (corresponding to [●]/[●]/2025G).



**BUPA ARABIA FOR COOPERATIVE INSURANCE COMPANY**  
**(“Bupa Arabia”, “the Company”)**  
**BOARD OF DIRECTORS (“Board”)**  
**CHARTER**

<b>1. Constitution, Principal Role and Term</b>
<p><b>Constitution</b> – The Board of Bupa Arabia was originally constituted during 2008 and, following the Company’s incorporation based on the Company’s approved Articles of Association, commenced its first term on 24/04/1429H, corresponding 30/04/2008G.</p>
<p>This Charter version, enhancing alignment with the latest corporate governance regulations, was approved by the Board during November 2018, subject to regulatory approval where applicable, and subject to the public shareholders’ approval where applicable, on 22<sup>nd</sup> November 2018.</p>
<p><b>Board Principal Role</b> – is the fiduciary responsibility of care to ensure the protection of the Company, shareholders, employees, creditors, and any other stakeholders, including regulators’, interests, and the Company’s assets, and having the ultimate accountability for directing the performance, conduct, corporate governance, and regulatory compliance of the Company and its management, in accordance with its licenses and all applicable laws and regulations, through providing strategic: leadership, governance, financial acumen, internal control and supervision.</p>
<p>In performing its duties, the Board has a key role responsibility for maintaining effective working relationships, wherever applicable and required, with the Company’s: Regulators, Shareholders, External Auditors, External Actuary, the Company Board Secretary, Board Committees and Board Committees’ Secretaries, the Chief Executive Officer (CEO) and the Chief Executive Team (CET), Legal Counsel, the leaders of the Compliance and the Internal Audit functions, and any other employees, or other stakeholders of the Company as required.</p>
<p><b>Term</b> – The Board term is governed by the Company’s By-Laws (Articles), and cannot exceed the three (3) year maximum specified within the Company Law, and amendments to which shall be approved by the Board, Regulators and thereafter the public shareholders in the General Assembly (GA) meeting. The Board is currently within its fourth term, which commenced 24/04/1438H, 22/01/2017G.</p>
<b>2. Membership, Chairman, Vice-Chairman, Chief Executive Officer (CEO) and Company Board Secretary</b>
<p><b>Composition and Membership</b> – The Board is to comprise of no less than five (5) Board members and not more than eleven (11) Board members and is to contain a majority of Non-Executive members and a minimum number of Independent Non-Executive Board members of either two (2) or a third of the Board membership, whichever is greater.</p>
<p>Board Members shall not be a member of the Board of more than five listed joint stock companies at the same time.</p>

INTERNAL

Membership of the Board arises from the approval of the public shareholders via GA meeting following the recommendation approval of the Board after SAMA no-objection, which following the Bupa Arabia Nomination and Remuneration Committee (NRC) approval recommendation to SAMA, in terms of Bupa Arabia's public shareholder approved Board and Board Committee Member Nomination and Appointment Policy and Procedure, and its associated standards and requirements. The Membership of the Board is re-established for every Board term and which Board term cannot exceed the maximum of three (3) years allowed by the Company Law. To be nominated and appointed as a Board member the candidates' information must be published on the Tadawul website and the GA may only vote for candidates who have been nominated for appointment as per the Tadawul invitation. The Board member appointments are authorized by the public shareholders, in the GA meeting, through the cumulative voting process.

The Company shall notify the CMA of the names of the Board members and their memberships within five (5) days of the commencement of the new Board term, or from the date of their appointment, whichever has occurred first.

The Chairman, Vice-Chairman and CEO are appointed by the Board, from the Board members elected by the public shareholders, subject to SAMA no-objection. The Chairman and the Vice-Chairman must be Non-Executive Board Members and their roles and responsibilities must not be combined with, nor overlap with, those of the CEO. The Company Board Secretary is appointed by the Board.

This Board Charter, and also the Company's Code of Corporate Governance (CCG), contains more details on these role responsibilities.

**Knowledge** – The Board shall ensure that the Board, Board Committee, Chief Executive Team (CET) members, and Executive Management members, through the NRC, are appropriately qualified to discharge their responsibilities, through having appropriate: selection and approval processes, member induction/training programs, member development training and Company Secretariat support. The programs shall cover the Company's strategy/objectives, financial and operational aspects, the obligations, duties, responsibilities and rights of Board Members, and the duties and competencies of the Board and Board Committees.

Board Members are required to be professionally capable, and have the required experience, knowledge, skills, qualifications, and independence, all in compliance with all the various regulatory requirements of Saudi Arabia, and/or as specified within the Company's GA approved Nomination and Appointment Policy and Procedure, so as to be able to perform his/her duties effectively.

**Confidentiality** – Board Members must sign a Confidentiality Agreement with the Company and at all times maintain the strictest confidentiality of all matters discussed through, or associated with, the Board's activities, even after vacating the Board Membership.

**Disclosure of Interests** – Board members must disclose any direct or indirect interest in the Company's business and insurance contracts concluded by it and such interests shall be authorized by the public shareholders in the GA meeting(s). Board members must ensure that they comply with the Company's Conflict of Interest Policy and in particular ensuring the Company is maintained up to date at all times, through informing the Company Board Secretary promptly, of all actual, and potential, conflicts of interest and/or related party transactions, as and when any changes occur.

INTERNAL

Board members shall not take part in any business that competes with the Company nor 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.
Each Board member shall disclose to the Board, and be reflected formally within the Board minutes, and be approved by the public shareholders in the GA meeting(s):
a) Any personal financial interest in any matter including, but without limitation to, related party transactions, business and family interests, and
b) Any potential conflict of interest arising from a cross-directorship.
Any such Board member shall abstain from voting on the relevant resolutions in relation to which such interest exists and from participating in the discussions concerning such resolutions.
<b>Board member independence</b> - The Board shall annually, through the Nomination & Remuneration Committee's (NRC) independence evaluation processes, in accordance with all Saudi Arabia's regulations, wherever required and applicable, evaluate the extent of the Board member's independence and ensure that there are no relationships or circumstances that affect or may affect his/her independence.
<b>Board membership review and assessment</b> – The Board shall review the membership of the Board through an annual Board evaluation process, through the NRC and which will include a performance assessment covering the skills and experience, strengths and weaknesses, of the Board and shall attempt to resolve any weaknesses to improve the Board's performance.  Individual assessment of board members will take into account the extent of effective participation, commitment in performing duties and responsibilities and attendance at Board and Committee meetings.  The Board size and composition shall be formally evaluated, and amended if deemed applicable, prior to the commencement of each new Board term.  Every three years, the Board must appoint a competent third party to carry out a performance based assessment.  The Board members (without the presence of the Board Chairman), and supported by the NRC, and the Company Board Secretary, and led by the NRC Chairman, where required and applicable, shall complete a periodic assessment of the performance of the Board Chairman by gathering opinions from amongst the members, in accordance with the Saudi Arabia regulations.  The outcome of the performance reviews will be in writing and circulated to the Board Members and parties concerned with the assessment.
<b>Company Board Secretary</b> – The Company Board Secretary, with relevant experience, shall be appointed by the Board from the Company's staff and shall not be the Secretary of the Audit Committee.
<b>Board Members' Compensation</b> – Members of the Board shall be eligible for annual compensation. The compensation shall be in line with the Board Member Remuneration Policy as shall be approved by the GA.

INTERNAL

<b>Company Board Secretary Compensation</b> - The Company Board Secretary shall be eligible for remuneration for carrying out the functions of each Board meeting and the amount of such compensation shall be approved by the Board.
<b>3. Meetings</b>
<b>Frequency</b> – Board meetings shall not be held less than six (6) times a year and not less than once per calendar quarter and attendees and matters discussed must fulfill all laws and regulations. In addition to the minimum of six (6) meetings per annum the Non-Executive Board members shall meet at least once per annum without the members of management, but may invite the Company Board Secretary, Chief Risk Officer, and management control leads, to attend this meeting, or part of it, as required.
<b>Quorum</b> – The quorum of any Board meeting shall comprise a minimum attendance of either six (6) Board members in person, or four (4) Board members in person, of which at least one of these four shall include an independent Board member, provided that the four (4) attending in person Board members have proxies to represent at least two of the Board members not in attendance. Members may participate via face-to-face meetings between the members, and/or by teleconference or videoconference, and be counted in the quorum and considered to have attended the meeting. A Board member who has apologized and does not attend the meeting may provide his proxy to another Board member to vote on his behalf at the Board meeting with the proviso that no attending Board member may have more than one proxy provided to him and that preferably an Independent Board member would provide their proxy to another Independent Board member. In the event a Board member holds a proxy and is conflicted the Board member may not use the proxy vote on the voting on the conflicted matter.
<b>Attendance</b> – Only Board Members and the Company Board Secretary are entitled to attend the Board meetings. The Board Members, provided approved by the Board Chairman, shall have the discretion to invite any other person(s) to attend all or part of any Board meeting, where it considers it appropriate. All Board members shall make every effort to attend all Board and in particular the independent Board members should attend the Board meetings in which important and material decisions affecting the position of the Company are made.
In the absence of the Board Chairman, the Board Vice-Chairman shall preside over the Board meeting, or in the absence of both the Board Chairman will designate an independent Board member to be the Chairman of the Board meeting.
As a minimum, the Chairman of the Audit Committee (AC) shall attend the Board meeting at which the Annual Financial Statements (AFS) and Annual Board Report (ABR) are approved by the Board.
<b>Voting</b> – The Board’s decisions shall be issued by the majority vote of the Board members in attendance, whether attending face-to-face, by videoconference or teleconference, or by having provided a proxy to another Board member, and, in the case of a decision having equal votes, the vote of the Board’s Chairman shall give preponderance to the decision, provided that the Board meeting minutes note the views of the other Board members.

INTERNAL

<b>4. <u>Proceedings</u></b>
<b>Notice</b> – The Board shall meet upon the invitation of its Chairman or upon the request of two members. Notice of each meeting confirming the date, time and venue shall be circulated by the Company Secretary, or his designated representative, to all members of the Board, and to other attendees (if appropriate), as far in advance as possible before each meeting (no less than five (5) days). The Company Board Secretary shall ensure that at least the regulatory minimum required Board meetings for the following year are scheduled in the preceding year.
<b>Agenda</b> – The Company Board Secretary, or his designated representative, shall circulate the agenda as far in advance as possible, (no less than five (5) days), of the Board meeting for the Board members to confirm and any Board member is entitled to request an addition to the agenda and for the Board Chairman to approve the addition of the same.
<b>Supporting Papers</b> – The Company Board Secretary shall circulate the supporting documentation to the Board members a reasonable period in advance of each meeting (no less than 5 days prior to the date of the meeting).
<b>Duration</b> – Sufficient time should be allowed in the Board meeting to enable the Board to undertake as full a discussion as may be required.
<b>Minutes</b> – The Company Board Secretary shall ensure Board minutes and appropriate Board resolutions are produced and authorized for every Board meeting and that these are formally documented in writing and that they are formally authorized through ratification during the following Board meeting, by the individual Board members who attended the Board meeting, and also the Company Board Secretary, physically signing the Board meeting minutes and the Board resolutions. The Board minutes must also include the recording of the names of those present and in attendance, even if only for partial attendance. Minutes of meetings shall be circulated to the Board members as soon as practicable following the Board meeting and preferably within a period not exceeding fifteen (15) days.
<b>5. <u>Authorities and Board Reserved Matters</u></b>
The Board is the ultimate authorized Company decision making body on all matters of significance to the Company, as defined by the Company, with the exception of those matters specifically reserved, whether by the Company’s articles of association and regulatory licenses, or whether by the laws, or the regulations of the country, to the public shareholders via the General Assembly Meeting. Matters of significance shall include, but not be limited to, such matters deemed significant by the Board due to the strategic, financial, governance, internal control, reputational, regulatory or other implications or consequences.
In order to ensure the efficiency of the Company decision making processes, and the internal controls and authorization protocols, the Board is authorized to reserve certain matters for its own authorization and to delegate some of its authority on certain matters to its Board Committees, and further through the CEO CET members of the business.

INTERNAL

<p>The delegation of Board authorities to the Board Committees, and the CEO, are contained within the Board Delegated Authorities Framework (DAF) which is approved by the Board. The Charters of the different Board Committees contains each of the Board Committees' authorities, roles, responsibilities and other matters and are authorized by the Board, after the recommendation approval of the relevant Board Committee for its own Charter, and subject to regulatory approval, and public shareholder approval, where applicable.</p>
<p>The Board Delegated Authorities Framework (DAF) will be reviewed and approved annually by the Board and maintained current by the Company Board Secretary and the Chief Risk Officer.</p>
<p>The Schedule of Matters Reserved for the Board (SMRB), and matters delegated to the various Board Committees, is contained within Appendix 1 of this Board Charter.</p>
<p>The Charters of the Company's various Board Committees, and which are listed below, are contained within the Company's Corporate Governance Framework (CGF), as opposed to being repeated within this Board Charter. The Board Charter and the Audit Committee Charter are both components of the Company's Code of Corporate Governance (CCG).</p> <ul style="list-style-type: none"> <li>• Audit Committee (AC)</li> <li>• Executive Committee (EC)</li> <li>• Investment Committee (IC)</li> <li>• Nomination and Remuneration Committee (NRC)</li> <li>• Risk Management Committee (RMC)</li> <li>• Digital Advisory Committee (DAC)</li> </ul>
<p><b>6. <u>Roles, Duties and Responsibilities</u></b></p>
<p>The principal roles and responsibilities of the Board, Chairman and Vice-Chairman, CEO, Directors, Company Board Secretary and Management are contained within the Company's Code of Corporate Governance (CCG) and the core duties and responsibilities of the Board include, but are not limited to:</p>
<p>a) Providing strategic guidance, including the setting of strategic objectives, and ensuring that the strategic objectives are approved, periodically reviewed, and monitored taking into account the underlying risks, and the formulating of the strategic plans includes consideration of the impact on the risk appetite, in particular relating to decisions associated with mergers, acquisitions, and the growth of the business, whether business lines or products.</p> <p>b) Ensuring that any changes to the strategic plan approved by the Board are based on documented strategic risk considerations.</p> <p>c) Supervising the implementation of strategic plans and major transactions and reviewing them periodically to ensure the human and financial resources are available to fulfil them.</p> <p>d) Approving key policies and procedures and regularly reviewing and updating them, which includes setting a comprehensive strategy, key business plans, policies, and the mechanisms of risk management, which risk management mechanisms shall include the creation of an Operational Risk profile, and the management of Non-Life Underwriting risks, including Reinsurance risk, as well as other operational risks, and specifically including, but not limited to; Market Risk and Counterparty Risk, determining the most appropriate capital</p>

INTERNAL

structure, financial objectives, approving budgets, overseeing the main capital expenditures, the acquisition/disposal of assets, setting performance indicators, and monitoring the implementation thereof and the overall performance of the Company, reviewing and approving the organizational and human resource requirements and ensuring the financial and human resources required for achieving the objectives and main plans of the company are available.

- e) Setting the values and standards that govern the Company's culture and operations through implementing Codes of Conduct which in adherence to regulations and best practice.
- f) Establishing and monitoring the Company's internal control system and ensuring its adequacy and effectiveness including reviewing the effectiveness of the Company's internal control procedures on an annual basis with the support of the Audit and Risk Management Committees.
- g) Defining strategic risks, and establishing and monitoring a risk management system, and governance frameworks, codes, charters, policies and procedures, which include the roles and responsibilities toward the management of Non-Life Underwriting risk, including Reinsurance risk, as well Market risk, Counterparty default risk, and Regulatory and AML risk management, where risks are properly defined, assessed, managed, and monitored on a continuous basis.
- h) Establishing and monitoring the Company's corporate governance system and ensuring its adequacy and effectiveness.
- i) Promoting higher standards of corporate governance and ensuring compliance with applicable laws and regulations at all times.
- j) Selecting and changing (if needed) executives in key positions, and ensuring that the Company has an appropriate succession planning policies, and leadership development programs, for their replacement by an appropriate alternative with the necessary skills, experience and eligibility for the role.
- k) Reviewing and approving business plans and annual budgets, including the setting of performance objectives and key performance indicators (KPIs) and monitoring the performance of the Company and the Senior Management against the performance objectives set by the Board, and ensuring that the annual business plans are within the parameters of the approved Company Risk Appetite Statements (RAS) or approving exceptions to the same, and that the plans have considered the underlying Risks.
- l) Ensuring the accuracy and integrity of the Company's accounting and financial reporting systems and the appropriateness of its disclosure and transparency processes.
- m) Overseeing the management of the Company's finances, its cash flows as well as its financial and credit relationships with third parties.
- n) Ensuring that the interests of the shareholders, policyholders, employees, suppliers, regulators and any other stakeholders, are being protected at all times.
- o) Maintaining a strong line of communication with the External Auditors.
- p) Reviewing the Company's Interim Condensed Financial Statements (IFS), and AFS, and related party transactions contained therein, and approving them before publication, after the recommendation of the AC, subject to shareholder approval where applicable.
- q) Reviewing the Company's ABR and approving it before publication, after the recommendation of the AC, subject to shareholder approval where applicable.
- r) Reviewing the proposed appointment of the joint external auditors, and approving it, after the recommendation of the AC, subject to shareholder approval where applicable.
- s) Forming specialized Board Committees, pursuant to Board approval, in accordance with regulatory requirements, including the approval of the Board Committee Charters, and which shall specify the membership size, term, powers and responsibilities of such Board Committees as well as the processes for the Board to monitor such Board Committees.

INTERNAL

Bupa Arabia Board Charter

Version: 4

Document Owner: **Company Board Secretary**

Board Approval date: **19 November 2020**

General Assembly Approval date: **24 June 2021**

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- t) Ensuring transparency in Board Member and Board Committee member appointments through formally documented Board and Board Committee Member Nomination processes
- u) Ensuring, through the NRC's activities, and the GA approved relevant remuneration policies, that appropriate Board Member Remuneration, Board Committee Member Remuneration, Chief Executive Team Remuneration, and Company Employee Remuneration policies and procedures are in place, aligned with Corporate performance, and approved through the correct authorization protocols, including regulatory and/or public shareholder approval via General Assembly, where applicable.
- v) Maintaining a high degree of integrity throughout the company through monitoring conflicts of interest and related party transactions and implementing an appropriate Code of Conduct (Ethics) and implementing a Conflicts of Interests Policy.
- w) Developing effective communication channels to ensure shareholders are continuously and periodically able to review the various aspects of the Company's business and any material developments and ensuring the availability of such information, to all shareholders, at the same time, of the complete, clear, accurate and non-misleading information so as to enable all shareholders being able to properly exercise his/her rights.
- x) Setting policies and procedures to ensure compliance with the Saudi Arabia laws and regulations to disclose material information to shareholders and stakeholders, and ensuring the compliance of the Executive Management with these policies and procedures.
- y) Developing a written policy that regulates the relationship with Stakeholders.
- z) Reviewing and ensuring the appropriateness of the information and materials communicated to the shareholders, including for press releases on matters decided by the Board and for the general assembly meetings
- aa) Setting forth and approving the specific and explicit policies, standards and procedures for membership in the Board, Board Committees, and CET, and the associated remuneration policies, based on the recommendation of the NRC, and implementing them following the approval of the GA.
- bb) Providing recommendation to the Extraordinary GA regarding the increase or decrease of the share capital and dissolving the Company before the end of its term or deciding the continuity of the Company.
- cc) Providing recommendation to the Ordinary GA regarding the use of the reserves of the Company, if applicable/having been formed by the Extraordinary GA, or forming additional financial allocations or reserves for the Company, or for approval of the GA, and the method(s) of distributing the net profits of the Company.
- dd) The Board shall hold periodic meetings, at least annually, or in line with the Saudi Arabia regulations as required and applicable, without any management of the business, including without the CEO.

Further duties, tasks and responsibilities that Board members may carry out can be found within the Company CCG and the relevant Saudi Arabia Corporate Governance Regulations and/or Company Law, as applicable.

The Company shall ensure to distribute the duties between the Board, Board Committees, CET and the Executive Management in accordance with the best practices of Corporate Governance, and in accordance with all the relevant Saudi Arabia regulations, so as to ensure the efficiency of the Company's decision making and to achieve a balance of power and authority across the Board, Board Committees, CET and the Executive Management.

**Executive Management Duties** - The Executive Management shall be responsible for implementing the plans, policies, strategies and main objectives of the Company in order to achieve its purposes and the Board shall form the Executive Management of the Company, with the support of the NRC, and thereafter regulate its operating

INTERNAL

Bupa Arabia Board Charter

Version: 4

Document Owner: **Company Board Secretary**

Board Approval date: **19 November 2020**

General Assembly Approval date: **24 June 2021**

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procedures, monitor and oversee it and ensure that it performs the duties assigned to it, and to achieve this, the Board shall, supported by the relevant Board Committee where required and applicable:

1. Developing the necessary human resource, financial, and other policies,
2. Ensuring that the Executive Management operates in accordance with the policies approved by the Board
3. Selecting and appointing the CFO of the Company, and overseeing his/her work,
4. Appointing the leader of the Internal Audit Department (IAD), and dismissing him/her, and determining his/her remuneration, based on the recommendation of the AC, and receiving the written reports of the IAD on at least a quarterly basis,
5. Convening periodic meetings with the Executive Management to explore work progress, any obstacles/problems in executing its responsibilities, and review and discuss key information in respect of the Company's operations,
6. Developing standards for the performance of the Executive Management consistent with the objectives and strategy of the Company,
7. Reviewing and evaluating the performance of the Executive Management,
8. Developing succession plans for the management of the Company.

The Executive Management shall be responsible for implementing the plans, policies, strategies and main objectives of the Company in order to achieve its purposes and its duties and responsibilities are further defined within the Company CCG.

#### **7. Reporting and Evaluating Performance Responsibilities**

The Board is responsible for receiving the Chairman, or the Secretary, of the Board Committees' reports to the Board, on the recommendations and proceedings of each Board Committee meeting, including receiving the Board Committees' meeting minutes, and monitoring and evaluating the performance of each Board Committee in line with the Board Committee Charters, as well as the authorities delegated to the Board Committee by the Board.

The Board is responsible for ensuring it receives sufficient information, and materials, from the CEO and the Management of the Company, through the Company Board Secretary, to enable it to monitor and evaluate the performance of the Company, the CEO and the Management.

**Recommendations** – The Board shall make whatever recommendations to the Board Committees, CEO and Management which it considers appropriate on any area where it deems action or improvement is necessary.

**Annual Board Report (ABR) and Annual Report and Accounts (ARA)** – The Board shall review and authorise, based on the recommendation of the AC, and the Company Board Secretary, as appropriate and applicable, in terms of the Schedule of Matters Reserved for the Board (SMRB), and the Board Delegated Authorities Framework (DAF), the ABR and ARA which are reported externally, whether through Tadawul, the Company website, or to the public shareholders in the GA meeting(s).

**General Assembly (GA) Meetings** – All the Board members, and in particular the Board Committees' Chairmen, or Committee member delegated by the Committee Chairman if applicable, must do their utmost to attend the Company's GA Meetings so as to be available to respond to any questions of the Shareholders on the Company, Board, Board Committee and Management's respective activities and areas of responsibility.

INTERNAL

Bupa Arabia Board Charter

Version: 4

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<p><b>Evaluation of Performance</b> – In order to ensure that it is operating at maximum effectiveness, the Board shall annually, through the NRC, via the Company Board Secretary, and led by the NRC Chairman evaluate its own performance of achievement against the duties and responsibilities as specified in the Board Charter and within the Company’s CCG.</p>
<p><b>8. Review and approval of the Board Charter</b></p>
<p>The Board approves its Board Charter subject thereafter to the public shareholders approving it during the GA meeting as part of the Company’s CCG (GA meeting approval is required by the regulations).</p>
<p><b>9. Other Matters</b></p>
<p><b>Information flows</b> - It is the responsibility of the CET, under the direction and coordination of the Company Board Secretary, to ensure that the Board receives adequate information on a timely basis about the Company’s businesses and operations at appropriate intervals and in an appropriate manner to enable it to carry out its responsibilities.</p>
<p><b>Induction and ongoing training</b> - On appointment to the Board, all Board members shall receive an induction tailored to their individual requirements. The induction shall include meetings with the Company Board Secretary, other Board Members, the CEO, the CET, the Executive Management, the Risk function leaders and the leaders of the Compliance and Internal Audit Departments, key external advisors, and any other appropriate employee, in order to assist Board Members in building a detailed understanding of how the Company’s operations and processes operate, as well as the key issues it faces. Also, where appropriate, additional training, and updates on particular issues shall be provided.</p>
<p><b>Board Member Access to Independent Professional Advice</b> - All Board members, both executive and non-executive, may obtain independent professional advice in furtherance of their responsibilities or duties as a Board Member when the Board Member believes it is necessary to do so, at the cost of the Company provided that:</p> <ul style="list-style-type: none"> <li>• the Board Member reasonably believes that the advice cannot be obtained from or through the Company;</li> <li>• Before seeking the advice, the Board Member has discussed the issue with the Chairman and/or the CEO (unless the advice the Board Member seeks arises from an unresolved conflict with one or more of those directors in which case such discussion shall be with the Company Secretary and/or the Chief Risk Officer).</li> <li>• The Board Member notifies promptly the Chairman, the CEO and the Company Secretary of the nature of the advice received and provides them with copies where such advice is received in writing.</li> <li>• The Board first approves the expenditure associated with such independent professional advice, where it exceeds the limit authorized by the Board to the Chief Risk Officer in terms of the Board approved Delegated Authorities Framework (DAF).</li> </ul>
<p><b>Procedure for Board Members seeking Independent Professional Advice</b> - where a Board Member feels that he might require independent professional advice he should, where possible, consider whether the advice can be</p>

INTERNAL

procured on his behalf by or through the Company Secretary or other appropriate non-executive, or executive Board member.

Before seeking external advice, unless the issue arises from a dispute or disagreement with the Chairman, the Board Member should always first discuss the issue and the proposal to seek independent advice with the Board Chairman. In addition, unless the dispute is with both of them as well, the Board member should also discuss the issue, before taking the advice, with the CEO.

In cases where more than one Board Member feels that external professional advice needs to be taken on the same or a similar issue, the Board members should co-ordinate their instructions to avoid unnecessary expense being incurred. Where possible, the Board Members should agree from whom the advice will be sought and instruct the external professional jointly.

The expenditure for any such proposed advice should be pre-agreed, before commitment, and approved by the Chief Risk Officer, in accordance with the Board Delegated Authorities Framework (DAF).

**Board Member access to Company Officers** - Board Members are entitled to full and free access to all the employees and representatives of the Company, including the advisory and support services of the Company Secretary, the Board Committee members and the Board Committee secretaries.

**Disclosure and Transparency** – The Company’s approach to Disclosure and Transparency is defined within the Company’s CCG, and the Company shall ensure it has a Disclosure Policy, which in Compliance to all the Saudi Arabia laws and regulations, approved by the Board and reflected on the Company’s website.

**Treatment of Shareholders and Protection of Minority Shareholder Rights** - The Company’s approach to the treatment of Shareholders and Protection of Minority Shareholder Rights is defined within the Company’s CCG.

## **10. Corporate Governance Standards**

The Company Corporate Governance Standards are defined in the CCG but due to the stand alone nature of the Board Charter are repeated here for ease of shareholder and regulatory reference:

Bupa Arabia is committed to implementing and adhering to robust Corporate Governance standards, in accordance with internationally recognized best corporate governance practice, to ensure it succeeds in fulfilling, through its Corporate Governance Framework, Code of Corporate Governance, Board and Board Committees, the five key elements of Corporate Governance:

- a. Strong Commitment to Corporate Governance
- b. Strong Commitment to world class Board Practices
- c. Appropriate Control Environments and Processes
- d. Strong Regime of Disclosure and Transparency
- e. Protection of all shareholders’ rights, including minority shareholders

## **11. Definitions**

INTERNAL

Bupa Arabia Board Charter

Version: 4

Document Owner: **Company Board Secretary**

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The standard Company definitions, and acronyms, applicable throughout the Corporate Governance Framework (CGF), CCG, and the Board and Board Committees' Charters, are defined within the "Definitions and Acronyms" section of the Company CCG.

INTERNAL

Bupa Arabia Board Charter

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### Board of Directors Charter

Article	Before the amendment	After the amendment
<p><b>Article (1) – Constitution, Principal Role and Term Objective</b></p>	<p>Constitution – The Board of Bupa Arabia was originally constituted during 2008 and, following the Company’s incorporation based on the Company’s approved Articles of Association, commenced its first term on 24/04/1429H, corresponding 30/04/2008G.</p> <p>This Charter version, enhancing alignment with the latest corporate governance regulations, was approved by the Board during November 2018, subject to regulatory approval where applicable, and subject to the public shareholders’ approval where applicable, on 22nd November 2018.</p> <p>Board Principal Role – is the fiduciary responsibility of care to ensure the protection of the Company, shareholders, employees, creditors, and any other stakeholders, including regulators’, interests, and the Company’s assets, and having the ultimate accountability for directing the performance, conduct, corporate governance, and regulatory compliance of the Company and its management, in accordance with its licenses and all applicable laws and regulations, through providing strategic: leadership, governance, financial acumen, internal control and supervision.</p> <p>In performing its duties, the Board has a key role responsibility for maintaining effective working relationships, wherever applicable and required, with</p>	<p><del>Constitution – The Board of Bupa Arabia was originally constituted during 2008 and, following the Company’s incorporation based on the Company’s approved Articles of Association, commenced its first term on 24/04/1429H, corresponding 30/04/2008G.</del></p> <p><del>This Charter version, enhancing alignment with the latest corporate governance regulations, was approved by the Board during November 2018, subject to regulatory approval where applicable, and subject to the public shareholders’ approval where applicable, on 22nd November 2018.</del></p> <p><del>Board Principal Role – is the fiduciary responsibility of care to ensure the protection of the Company, shareholders, employees, creditors, and any other stakeholders, including regulators’, interests, and the Company’s assets, and having the ultimate accountability for directing the performance, conduct, corporate governance, and regulatory compliance of the Company and its management, in accordance with its licenses and all applicable laws and regulations, through providing strategic: leadership, governance, financial acumen, internal control and supervision.</del></p> <p><del>In performing its duties, the Board has a key role responsibility for maintaining effective working relationships, wherever applicable and required, with the Company’s: Regulators, Shareholders, External Auditors, External Actuary, the Company Board Secretary, Board Committees and Board Committees’ Secretaries, the Chief Executive Officer (CEO) and the Chief Executive Team (CET), Legal Counsel, the leaders of the Compliance and the Internal Audit functions, and</del></p>

**Proposed Amendments to the Board of Directors' Charter to be Presented to the Extraordinary General Assembly of the Demerger of Bupa Arabia for Cooperative Insurance Company**

Annex to the agenda of the Extraordinary General Assembly Meeting relating to the Demerger of Bupa Arabia for Cooperative Insurance Company

Article	Before the amendment	After the amendment
	<p>the Company’s: Regulators, Shareholders, External Auditors, External Actuary, the Company Board Secretary, Board Committees and Board Committees’ Secretaries, the Chief Executive Officer (CEO) and the Chief Executive Team (CET), Legal Counsel, the leaders of the Compliance and the Internal Audit functions, and any other employees, or other stakeholders of the Company as required.</p> <p>Term – The Board term is governed by the Company’s By-Laws (Articles), and cannot exceed the three (3) year maximum specified within the Company Law, and amendments to which shall be approved by the Board, Regulators and thereafter the public shareholders in the General Assembly (GA) meeting. The Board is currently within its fourth term, which commenced 24/04/1438H, 22/01/2017G.</p>	<p><del>any other employees, or other stakeholders of the Company as required.</del></p> <p><del>Term – The Board term is governed by the Company’s By-Laws (Articles), and cannot exceed the three (3) year maximum specified within the Company Law, and amendments to which shall be approved by the Board, Regulators and thereafter the public shareholders in the General Assembly (GA) meeting. The Board is currently within its fourth term, which commenced 24/04/1438H, 22/01/2017G.</del></p> <p>These Procedures set forth the Board’s duties and responsibilities, the Board’s organizational structure, the manner in which the Board carries out its activities, the role of Board members and procedures to ensure compliance with the Companies Law, the Corporate Governance Regulations and other Capital Market Authority (the “CMA”) regulations, the Company’s Bylaws, other relevant laws and regulations, and corporate governance principles and best practices.</p>
<p><b>Article (2) – Membership, Chairman, Vice-Chairman, Chief Executive Officer (CEO) and Company Board Secretary Definitions</b></p>	<p>Composition and Membership – The Board is to comprise of no less than five (5) Board members and not more than eleven (11) Board members and is to contain a majority of Non-Executive members and a minimum number of Independent Non-Executive Board members of either two (2) or a third of the Board membership, whichever is greater.</p> <p>Board Members shall not be a member of the Board of more than five listed joint stock companies at the same time.</p> <p>Membership of the Board arises from the approval of the public shareholders via GA meeting following the recommendation approval of the Board after SAMA no-objection, which following the Bupa Arabia Nomination and Remuneration Committee (NRC) approval</p>	<p><del>Composition and Membership – The Board is to comprise of no less than five (5) Board members and not more than eleven (11) Board members and is to contain a majority of Non-Executive members and a minimum number of Independent Non-Executive Board members of either two (2) or a third of the Board membership, whichever is greater.</del></p> <p><del>Board Members shall not be a member of the Board of more than five listed joint stock companies at the same time.</del></p> <p><del>Membership of the Board arises from the approval of the public shareholders via GA meeting following the recommendation approval of the Board after SAMA no-objection, which following the Bupa Arabia Nomination and Remuneration Committee (NRC) approval recommendation to SAMA, in terms of Bupa Arabia’s public shareholder approved Board and Board Committee Member Nomination and Appointment Policy and Procedure, and its associated standards and requirements. The Membership of the Board is re-</del></p>

Article	Before the amendment	After the amendment
	<p>recommendation to SAMA, in terms of Bupa Arabia’s public shareholder approved Board and Board Committee Member Nomination and Appointment Policy and Procedure, and its associated standards and requirements. The Membership of the Board is re-established for every Board term and which Board term cannot exceed the maximum of three (3) years allowed by the Company Law. To be nominated and appointed as a Board member the candidates’ information must be published on the Tadawul website and the GA may only vote for candidates who have been nominated for appointment as per the Tadawul invitation. The Board member appointments are authorized by the public shareholders, in the GA meeting, through the cumulative voting process.</p> <p>The Company shall notify the CMA of the names of the Board members and their memberships within five (5) days of the commencement of the new Board term, or from the date of their appointment, whichever has occurred first.</p> <p>The Chairman, Vice-Chairman and CEO are appointed by the Board, from the Board members elected by the public shareholders, subject to SAMA no-objection. The Chairman and the Vice-Chairman must be Non-Executive Board Members and their roles and responsibilities must not be combined with, nor overlap with, those of the CEO. The Company Board Secretary is appointed by the Board.</p> <p>This Board Charter, and also the Company’s Code of Corporate Governance (CCG), contains more details on these role responsibilities.</p> <p>Knowledge – The Board shall ensure that the Board, Board Committee, Chief Executive Team (CET)</p>	<p><del>established for every Board term and which Board term cannot exceed the maximum of three (3) years allowed by the Company Law. To be nominated and appointed as a Board member the candidates’ information must be published on the Tadawul website and the GA may only vote for candidates who have been nominated for appointment as per the Tadawul invitation. The Board member appointments are authorized by the public shareholders, in the GA meeting, through the cumulative voting process.</del></p> <p><del>The Company shall notify the CMA of the names of the Board members and their memberships within five (5) days of the commencement of the new Board term, or from the date of their appointment, whichever has occurred first.</del></p> <p><del>The Chairman, Vice-Chairman and CEO are appointed by the Board, from the Board members elected by the public shareholders, subject to SAMA no-objection. The Chairman and the Vice-Chairman must be Non-Executive Board Members and their roles and responsibilities must not be combined with, nor overlap with, those of the CEO. The Company Board Secretary is appointed by the Board.</del></p> <p><del>This Board Charter, and also the Company’s Code of Corporate Governance (CCG), contains more details on these role responsibilities.</del></p> <p><del>Knowledge – The Board shall ensure that the Board, Board Committee, Chief Executive Team (CET) members, and Executive Management members, through the NRC, are appropriately qualified to discharge their responsibilities, through having appropriate: selection and approval processes, member induction/training programs, member development training and Company Secretariat support. The programs shall cover the Company’s strategy/objectives, financial and operational aspects, the obligations, duties, responsibilities and rights of Board Members, and the duties and competencies of the Board and Board Committees.</del></p> <p><del>Board Members are required to be professionally capable, and have the required experience, knowledge, skills, qualifications, and independence, all in compliance with all the various regulatory</del></p>

Article	Before the amendment	After the amendment
	<p>members, and Executive Management members, through the NRC, are appropriately qualified to discharge their responsibilities, through having appropriate: selection and approval processes, member induction/training programs, member development training and Company Secretariat support. The programs shall cover the Company's strategy/objectives, financial and operational aspects, the obligations, duties, responsibilities and rights of Board Members, and the duties and competencies of the Board and Board Committees.</p> <p>Board Members are required to be professionally capable, and have the required experience, knowledge, skills, qualifications, and independence, all in compliance with all the various regulatory requirements of Saudi Arabia, and/or as specified within the Company's GA approved Nomination and Appointment Policy and Procedure, so as to be able to perform his/her duties effectively.</p> <p>Confidentiality – Board Members must sign a Confidentiality Agreement with the Company and at all times maintain the strictest confidentiality of all matters discussed through, or associated with, the Board's activities, even after vacating the Board Membership.</p> <p>Disclosure of Interests – Board members must disclose any direct or indirect interest in the Company's business and insurance contracts concluded by it and such interests shall be authorized by the public shareholders in the GA meeting(s). Board members must ensure that they comply with the Company's Conflict of Interest Policy and in particular ensuring the Company is maintained up to date at all times, through informing the Company Board Secretary promptly, of all actual, and</p>	<p><del>requirements of Saudi Arabia, and/or as specified within the Company's GA approved Nomination and Appointment Policy and Procedure, so as to be able to perform his/her duties effectively.</del></p> <p><del>Confidentiality – Board Members must sign a Confidentiality Agreement with the Company and at all times maintain the strictest confidentiality of all matters discussed through, or associated with, the Board's activities, even after vacating the Board Membership.</del></p> <p><del>Disclosure of Interests – Board members must disclose any direct or indirect interest in the Company's business and insurance contracts concluded by it and such interests shall be authorized by the public shareholders in the GA meeting(s). Board members must ensure that they comply with the Company's Conflict of Interest Policy and in particular ensuring the Company is maintained up to date at all times, through informing the Company Board Secretary promptly, of all actual, and potential, conflicts of interest and/or related party transactions, as and when any changes occur.</del></p> <p><del>Board members shall not take part in any business that competes with the Company nor 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.</del></p> <p><del>Each Board member shall disclose to the Board, and be reflected formally within the Board minutes, and be approved by the public shareholders in the GA meeting(s):</del></p> <p><del>a) Any personal financial interest in any matter including, but without limitation to, related party transactions, business and family interests, and</del></p> <p><del>b) Any potential conflict of interest arising from a cross-directorship.</del></p> <p><del>Any such Board member shall abstain from voting on the relevant resolutions in relation to which such interest exists and from participating in the discussions concerning such resolutions.</del></p>

Article	Before the amendment	After the amendment
	<p>potential, conflicts of interest and/or related party transactions, as and when any changes occur.</p> <p>Board members shall not take part in any business that competes with the Company nor 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>Each Board member shall disclose to the Board, and be reflected formally within the Board minutes, and be approved by the public shareholders in the GA meeting(s):</p> <p>a) Any personal financial interest in any matter including, but without limitation to, related party transactions, business and family interests, and</p> <p>b) Any potential conflict of interest arising from a cross-directorship.</p> <p>Any such Board member shall abstain from voting on the relevant resolutions in relation to which such interest exists and from participating in the discussions concerning such resolutions.</p> <p>Board member independence - The Board shall annually, through the Nomination &amp; Remuneration Committee's (NRC) independence evaluation processes, in accordance with all Saudi Arabia's regulations, wherever required and applicable, evaluate the extent of the Board member's independence and ensure that there are no relationships or circumstances that affect or may affect his/her independence.</p> <p>Board membership review and assessment – The Board shall review the membership of the Board through an annual Board evaluation process, through the NRC and which will include a performance assessment covering</p>	<p><del>Board member independence – The Board shall annually, through the Nomination &amp; Remuneration Committee's (NRC) independence evaluation processes, in accordance with all Saudi Arabia's regulations, wherever required and applicable, evaluate the extent of the Board member's independence and ensure that there are no relationships or circumstances that affect or may affect his/her independence.</del></p> <p><del>Board membership review and assessment – The Board shall review the membership of the Board through an annual Board evaluation process, through the NRC and which will include a performance assessment covering the skills and experience, strengths and weaknesses, of the Board and shall attempt to resolve any weaknesses to improve the Board's performance.</del></p> <p><del>Individual assessment of board members will take into account the extent of effective participation, commitment in performing duties and responsibilities and attendance at Board and Committee meetings.</del></p> <p><del>The Board size and composition shall be formally evaluated, and amended if deemed applicable, prior to the commencement of each new Board term.</del></p> <p><del>Every three years, the Board must appoint a competent third party to carry out a performance based assessment.</del></p> <p><del>The Board members (without the presence of the Board Chairman), and supported by the NRC, and the Company Board Secretary, and led by the NRC Chairman, where required and applicable, shall complete a periodic assessment of the performance of the Board Chairman by gathering opinions from amongst the members, in accordance with the Saudi Arabia regulations.</del></p> <p><del>The outcome of the performance reviews will be in writing and circulated to the Board Members and parties concerned with the assessment.</del></p>

**Proposed Amendments to the Board of Directors' Charter to be Presented to the Extraordinary General Assembly of the Demerger of Bupa Arabia for Cooperative Insurance Company**

Annex to the agenda of the Extraordinary General Assembly Meeting relating to the Demerger of Bupa Arabia for Cooperative Insurance Company

Article	Before the amendment	After the amendment
	<p>the skills and experience, strengths and weaknesses, of the Board and shall attempt to resolve any weaknesses to improve the Board's performance.</p> <p>Individual assessment of board members will take into account the extent of effective participation, commitment in performing duties and responsibilities and attendance at Board and Committee meetings.</p> <p>The Board size and composition shall be formally evaluated, and amended if deemed applicable, prior to the commencement of each new Board term.</p> <p>Every three years, the Board must appoint a competent third party to carry out a performance based assessment.</p> <p>The Board members (without the presence of the Board Chairman), and supported by the NRC, and the Company Board Secretary, and led by the NRC Chairman, where required and applicable, shall complete a periodic assessment of the performance of the Board Chairman by gathering opinions from amongst the members, in accordance with the Saudi Arabia regulations.</p> <p>The outcome of the performance reviews will be in writing and circulated to the Board Members and parties concerned with the assessment.</p> <p>Company Board Secretary – The Company Board Secretary, with relevant experience, shall be appointed by the Board</p> <p>from the Company's staff and shall not be the Secretary of the Audit Committee.</p>	<p><del>Company Board Secretary – The Company Board Secretary, with relevant experience, shall be appointed by the Board</del></p> <p><del>from the Company's staff and shall not be the Secretary of the Audit Committee.</del></p> <p><del>Board Members' Compensation – Members of the Board shall be eligible for annual compensation. The</del></p> <p><del>compensation shall be in line with the Board Member Remuneration Policy as shall be approved by the GA.</del></p> <p><del>Company Board Secretary Compensation – The Company Board Secretary shall be eligible for remuneration for carrying out the functions of each Board meeting and the amount of such compensation shall be approved by the Board.</del></p> <p>The terms used in this Policy shall have the same meaning ascribed to them in the CMA's applicable rules unless the context requires otherwise.</p>

Article	Before the amendment	After the amendment
	<p>Board Members' Compensation – Members of the Board shall be eligible for annual compensation. The compensation shall be in line with the Board Member Remuneration Policy as shall be approved by the GA.</p> <p>Company Board Secretary Compensation - The Company Board Secretary shall be eligible for remuneration for carrying out the functions of each Board meeting and the amount of such compensation shall be approved by the Board.</p>	
<p><b>Article (3) – Meetings-Board Composition</b></p>	<p>Frequency – Board meetings shall not be held less than six (6) times a year and not less than once per calendar quarter and attendees and matters discussed must fulfill all laws and regulations. In addition to the minimum of six (6) meetings per annum the Non-Executive Board members shall meet at least once per annum without the members of management, but may invite the Company Board Secretary, Chief Risk Officer, and management control leads, to attend this meeting, or part of it, as required.</p> <p>Quorum – The quorum of any Board meeting shall comprise a minimum attendance of either six (6) Board members in person, or four (4) Board members in person, of which at least one of these four shall include an independent Board member, provided that the four (4) attending in person Board members have proxies to represent at least two of the Board members not in attendance. Members may participate via face-to-face meetings between the members, and/or by teleconference or videoconference, and be counted in</p>	<p><del>Frequency—Board meetings shall not be held less than six (6) times a year and not less than once per calendar quarter and attendees and matters discussed must fulfill all laws and regulations. In addition to the minimum of six (6) meetings per annum the Non Executive Board members shall meet at least once per annum without the members of management, but may invite the Company Board Secretary, Chief Risk Officer, and management control leads, to attend this meeting, or part of it, as required.</del></p> <p><del>Quorum—The quorum of any Board meeting shall comprise a minimum attendance of either six (6) Board members in person, or four (4) Board members in person, of which at least one of these four shall include an independent Board member, provided that the four (4) attending in person Board members have proxies to represent at least two of the Board members not in attendance. Members may participate via face-to-face meetings between the members, and/or by teleconference or videoconference, and be counted in the quorum and considered to have attended the meeting. A Board member who has apologized and does not attend the meeting may provide his proxy to another Board member to vote on his behalf at the Board meeting with the proviso that no attending Board member may have more</del></p>

Article	Before the amendment	After the amendment
	<p>the quorum and considered to have attended the meeting. A Board member who has apologized and does not attend the meeting may provide his proxy to another Board member to vote on his behalf at the Board meeting with the proviso that no attending Board member may have more than one proxy provided to him and that preferably an Independent Board member would provide their proxy to another Independent Board member. In the event a Board member holds a proxy and is conflicted the Board member may not use the proxy vote on the voting on the conflicted matter.</p> <p>Attendance – Only Board Members and the Company Board Secretary are entitled to attend the Board meetings. The Board Members, provided approved by the Board Chairman, shall have the discretion to invite any other person(s) to attend all or part of any Board meeting, where it considers it appropriate. All Board members shall make every</p> <p>effort to attend all Board and in particular the independent Board members should attend the Board meetings in which important and material decisions affecting the position of the Company are made.</p> <p>In the absence of the Board Chairman, the Board Vice-Chairman shall preside over the Board meeting, or in the absence of both the Board Chairman will designate an independent Board member to be the Chairman of the Board meeting.</p>	<p><del>than one proxy provided to him and that preferably an Independent Board member would provide their proxy to another Independent Board member. In the event a Board member holds a proxy and is conflicted the Board member may not use the proxy vote on the voting on the conflicted matter.</del></p> <p><del>Attendance—Only Board Members and the Company Board Secretary are entitled to attend the Board meetings. The Board Members, provided approved by the Board Chairman, shall have the discretion to invite any other person(s) to attend all or part of any Board meeting, where it considers it appropriate. All Board members shall make every</del></p> <p><del>effort to attend all Board and in particular the independent Board members should attend the Board meetings in which important and material decisions affecting the position of the Company are made.</del></p> <p><del>In the absence of the Board Chairman, the Board Vice-Chairman shall preside over the Board meeting, or in the absence of both the Board Chairman will designate an independent Board member to be the Chairman of the Board meeting.</del></p> <p><del>As a minimum, the Chairman of the Audit Committee (AC) shall attend the Board meeting at which the Annual Financial Statements (AFS) and Annual Board Report (ABR) are approved by the Board.</del></p> <p><del>Voting—The Board’s decisions shall be issued by the majority vote of the Board members in attendance, whether attending face to face, by videoconference or teleconference, or by having provided a proxy to another Board member, and, in the case of a decision having equal votes, the vote of the Board’s Chairman shall give preponderance</del></p>

**Proposed Amendments to the Board of Directors' Charter to be Presented to the Extraordinary General Assembly of the Demerger of Bupa Arabia for Cooperative Insurance Company**

Annex to the agenda of the Extraordinary General Assembly Meeting relating to the Demerger of Bupa Arabia for Cooperative Insurance Company

Article	Before the amendment	After the amendment
	<p>As a minimum, the Chairman of the Audit Committee (AC) shall attend the Board meeting at which the Annual Financial Statements (AFS) and Annual Board Report (ABR) are approved by the Board.</p> <p>Voting – The Board’s decisions shall be issued by the majority vote of the Board members in attendance, whether attending face-to-face, by videoconference or teleconference, or by having provided a proxy to another Board member, and, in the case of a decision having equal votes, the vote of the Board’s Chairman shall give preponderance</p> <p>to the decision, provided that the Board meeting minutes note the views of the other Board members.</p>	<p><del>to the decision, provided that the Board meeting minutes note the views of the other Board members.</del></p> <p>3.1 The Company shall be managed by a Board composed of nine (9) members elected by the shareholders’ Ordinary General Assembly for a term not exceeding four years.</p> <p>3.2 In the event that a seat on the Board of Directors becomes vacant, and such vacancy does not result in the Board failing to meet the minimum number of members required for its valid convening, the Board may appoint a temporary member to fill the vacancy, provided that the appointee possesses the necessary experience and competence. The Commercial Register and the CMA must be notified of the appointment within fifteen (15) days from the date of appointment, and the appointment must be presented to the next ordinary general assembly for approval. The newly appointed member shall complete the remaining term of his predecessor.</p> <p>3.3 The Board shall appoint a Chairperson from among its members. Also, the Board shall appoint a Vice Chairperson and may appoint a managing director.</p> <p>3.4 In the event of a change in the Board’s composition, the Board shall take all necessary steps to complete all required notifications and submissions to the relevant regulators in accordance with applicable laws and regulations.</p>
<p><b>Article (4) – Proceedings Board Duties</b></p>	<p><b>Notice</b> – The Board shall meet upon the invitation of its Chairman or upon the request of two members. Notice of each meeting confirming the date, time and venue shall be circulated by the Company Secretary, or his designated representative, to all members of the</p>	<p><del><b>Notice</b>—The Board shall meet upon the invitation of its Chairman or upon the request of two members. Notice of each meeting confirming the date, time and venue shall be circulated by the Company Secretary, or his designated representative, to all members of the Board, and to other attendees (if appropriate), as far in advance as possible before</del></p>

Article	Before the amendment	After the amendment
<p><b>and Responsibilities</b></p>	<p>Board, and to other attendees (if appropriate), as far in advance as possible before each meeting (no less than five (5) days). The Company Board Secretary shall ensure that at least the regulatory minimum required Board meetings for the following year are scheduled in the preceding year.</p> <p><b>Agenda</b> – The Company Board Secretary, or his designated representative, shall circulate the agenda as far in advance as possible, (no less than five (5) days), of the Board meeting for the Board members to confirm and any Board member is entitled to request an addition to the agenda and for the Board Chairman to approve the addition of the same.</p> <p><b>Supporting Documents</b> – The Company Board Secretary shall circulate the supporting documentation to the Board members a reasonable period in advance of each meeting (no less than 5 days prior to the date of the meeting).</p> <p><b>Duration</b>– Sufficient time should be allowed in the Board meeting to enable the Board to undertake as full a discussion as may be required.</p> <p><b>Minutes</b> - The Company Board Secretary shall ensure Board minutes and appropriate Board resolutions are produced and authorized for every Board meeting and that these are formally documented in writing and that they are formally authorized through ratification during the following Board meeting, by the individual Board members who attended the Board meeting, and also the Company Board Secretary, physically signing the Board meeting minutes and the Board resolutions. The Board minutes must also include the recording of the names of those present and in attendance, even if only for partial attendance. Minutes of meetings shall be</p>	<p><del>each meeting (no less than five (5) days). The Company Board Secretary shall ensure that at least the regulatory minimum required Board meetings for the following year are scheduled in the preceding year.</del></p> <p><del><b>Agenda</b> — The Company Board Secretary, or his designated representative, shall circulate the agenda as far in advance as possible, (no less than five (5) days), of the Board meeting for the Board members to confirm and any Board member is entitled to request an addition to the agenda and for the Board Chairman to approve the addition of the same.</del></p> <p><del><b>Supporting Documents</b> — The Company Board Secretary shall circulate the supporting documentation to the Board members a reasonable period in advance of each meeting (no less than 5 days prior to the date of the meeting).</del></p> <p><del><b>Duration</b>— Sufficient time should be allowed in the Board meeting to enable the Board to undertake as full a discussion as may be required.</del></p> <p><del><b>Minutes</b> — The Company Board Secretary shall ensure Board minutes and appropriate Board resolutions are produced and authorized for every Board meeting and that these are formally documented in writing and that they are formally authorized through ratification during the following Board meeting, by the individual Board members who attended the Board meeting, and also the Company Board Secretary, physically signing the Board meeting minutes and the Board resolutions. The Board minutes must also include the recording of the names of those present and in attendance, even if only for partial attendance. Minutes of meetings shall be circulated to the Board members as soon as practicable following the Board meeting and preferably within a period not exceeding fifteen (15) days.</del></p> <p>The Board shall carry out its duties and responsibilities in compliance with the Companies Law, the Company’s Bylaws and other relevant regulations, which include but are not limited to the following:</p>

Article	Before the amendment	After the amendment
	<p>circulated to the Board members as soon as practicable following the Board meeting and preferably within a period not exceeding fifteen (15) days.</p>	<p>4.1 <b>Internal Control System</b></p> <p>(a) Developing an adequate written conflict of interest policy.</p> <p>(b) Establishing, overseeing, and annually reviewing the effectiveness of the Company’s internal control procedures.</p> <p>(c) Ensuring the integrity of the Company’s financial and accounting rules, including rules relating to the preparation of financial reports.</p> <p>(d) Ensuring the implementation of appropriate control procedures for risk assessment and management by generally forecasting the risks that the Company may encounter, creating a culture of risk management at the Company level, and transparently disclosing, as appropriate, such risks to the stakeholders and other related parties.</p> <p>4.2 <b>Strategic Direction and Goals</b></p> <p>(a) Setting and reviewing the Company’s main corporate objectives, strategic plans and overall key performance indicators, including overall oversight of their implementation.</p> <p>(b) Approving the Company’s main annual business plans and budgets and ensuring the availability of financial and human resources necessary to achieve the Company’s strategy and objectives.</p> <p>(c) Determining the most appropriate capital structure for the Company, its strategies and financial objectives, and approving estimated budgets.</p>

Article	Before the amendment	After the amendment
		<p>(d) Overseeing the main capital expenditures of the Company and the acquisition or disposal of assets.</p> <p>(e) Supervising the management of the Company's finances, its cash flows as well as its financial and credit relationships with third parties.</p> <p>(f) Developing and regularly reviewing the Company's organizational structure to ensure that it enhances the Company's ability to achieve its objectives.</p>
<p><b>Article (5) – Authorities and Board Reserved Matters-Board Powers</b></p>	<p>The Board is the ultimate authorized Company decision making body on all matters of significance to the Company, as defined by the Company, with the exception of those matters specifically reserved, whether by the Company's articles of association and regulatory licenses, or whether by the laws, or the regulations of the country, to the public shareholders via the General Assembly Meeting. Matters of significance shall include, but not be limited to, such matters deemed significant by the Board due to the strategic, financial, governance, internal control, reputational, regulatory or other implications or consequences.</p> <p>In order to ensure the efficiency of the Company decision making processes, and the internal controls and authorization protocols, the Board is authorized to reserve certain matters for its own authorization and to delegate some of its authority on certain matters to its</p>	<p><del>The Board is the ultimate authorized Company decision making body on all matters of significance to the Company, as defined by the Company, with the exception of those matters specifically reserved, whether by the Company's articles of association and regulatory licenses, or whether by the laws, or the regulations of the country, to the public shareholders via the General Assembly Meeting. Matters of significance shall include, but not be limited to, such matters deemed significant by the Board due to the strategic, financial, governance, internal control, reputational, regulatory or other implications or consequences.</del></p> <p><del>In order to ensure the efficiency of the Company decision making processes, and the internal controls and authorization protocols, the Board is authorized to reserve certain matters for its own authorization and to delegate some of its authority on certain matters to its Board Committees, and further through the CEO CET members of the business.</del></p>

Article	Before the amendment	After the amendment
	<p>Board Committees, and further through the CEO CET members of the business.</p> <p>The delegation of Board authorities to the Board Committees, and the CEO, are contained within the Board Delegated Authorities Framework (DAF) which is approved by the Board. The Charters of the different Board Committees contains each of the Board Committees' authorities, roles, responsibilities and other matters and are authorized by the Board, after the recommendation approval of the relevant Board Committee for its own Charter, and subject to regulatory approval, and public shareholder approval, where applicable.</p> <p>The Board Delegated Authorities Framework (DAF) will be reviewed and approved annually by the Board and maintained current by the Company Board Secretary and the Chief Risk Officer.</p> <p>The Schedule of Matters Reserved for the Board (SMRB), and matters delegated to the various Board Committees, is contained within Appendix 1 of this Board Charter.</p> <p>The Charters of the Company's various Board Committees, and which are listed below, are contained within the Company's Corporate Governance Framework (CGF), as opposed to being repeated within this Board Charter. The Board Charter and the Audit Committee Charter are both components of the Company's Code of Corporate Governance (CCG).</p> <ul style="list-style-type: none"> <li>● Audit Committee (AC)</li> </ul>	<p><del>The delegation of Board authorities to the Board Committees, and the CEO, are contained within the Board Delegated Authorities Framework (DAF) which is approved by the Board. The Charters of the different Board Committees contains each of the Board Committees' authorities, roles, responsibilities and other matters and are authorized by the Board, after the recommendation approval of the relevant Board Committee for its own Charter, and subject to regulatory approval, and public shareholder approval, where applicable.</del></p> <p><del>The Board Delegated Authorities Framework (DAF) will be reviewed and approved annually by the Board and maintained current by the Company Board Secretary and the Chief Risk Officer.</del></p> <p><del>The Schedule of Matters Reserved for the Board (SMRB), and matters delegated to the various Board Committees, is contained within Appendix 1 of this Board Charter.</del></p> <p><del>The Charters of the Company's various Board Committees, and which are listed below, are contained within the Company's Corporate Governance Framework (CGF), as opposed to being repeated within this Board Charter. The Board Charter and the Audit Committee Charter are both components of the Company's Code of Corporate Governance (CCG):</del></p> <ul style="list-style-type: none"> <li><del>● Audit Committee (AC)</del></li> <li><del>● Executive Committee (EC)</del></li> <li><del>● Investment Committee (IC)</del></li> <li><del>● Nomination and Remuneration Committee (NRC)</del></li> <li><del>● Risk Management Committee (RMC)</del></li> <li><del>● Digital Advisory Committee (DAC)</del></li> </ul> <p>Subject to the matters reserved for the General Assembly, the Board has all the powers and authorities necessary to manage the Company.</p>

Article	Before the amendment	After the amendment
	<ul style="list-style-type: none"> <li>• Executive Committee (EC)</li> <li>• Investment Committee (IC)</li> <li>• Nomination and Remuneration Committee (NRC)</li> <li>• Risk Management Committee (RMC)</li> <li>• Digital Advisory Committee (DAC)</li> </ul>	
<p><b>Article (6) – Roles, Duties and Responsibilities Delegation to the CEO</b></p>	<p>The principal roles and responsibilities of the Board, Chairman and Vice-Chairman, CEO, Directors, Company Board Secretary and Management are contained within the Company's Code of Corporate Governance (CCG) and the core duties and responsibilities of the Board include, but are not limited to:</p> <p>a) Providing strategic guidance, including the setting of strategic objectives, and ensuring that the strategic objectives are approved, periodically reviewed, and monitored taking into account the underlying risks, and the formulating of the strategic plans includes consideration of the impact on the risk appetite, in particular relating to decisions associated with mergers, acquisitions, and the growth of the business, whether business lines or products.</p> <p>b) Ensuring that any changes to the strategic plan approved by the Board are based on documented strategic risk considerations.</p> <p>c) Supervising the implementation of strategic plans and major transactions and reviewing them periodically to ensure the human and financial resources are available to fulfil them.</p> <p>d) Approving key policies and procedures and regularly</p>	<p><del>The principal roles and responsibilities of the Board, Chairman and Vice-Chairman, CEO, Directors, Company Board Secretary and Management are contained within the Company's Code of Corporate Governance (CCG) and the core duties and responsibilities of the Board include, but are not limited to:</del></p> <p><del>ee) Providing strategic guidance, including the setting of strategic objectives, and ensuring that the strategic objectives are approved, periodically reviewed, and monitored taking into account the underlying risks, and the formulating of the strategic plans includes consideration of the impact on the risk appetite, in particular relating to decisions associated with mergers, acquisitions, and the growth of the business, whether business lines or products.</del></p> <p><del>ff) Ensuring that any changes to the strategic plan approved by the Board are based on documented strategic risk considerations.</del></p> <p><del>gg) Supervising the implementation of strategic plans and major transactions and reviewing them periodically to ensure the human and financial resources are available to fulfil them.</del></p> <p><del>hh) Approving key policies and procedures and regularly reviewing and updating them, which includes setting a comprehensive strategy, key business plans, policies, and the mechanisms of risk management, which risk management mechanisms shall include the creation of an Operational Risk profile, and the management of Non-Life Underwriting risks, including Reinsurance risk, as well as other operational risks, and specifically including, but not limited</del></p>

Article	Before the amendment	After the amendment
	<p>reviewing and updating them, which includes setting a comprehensive strategy, key business plans, policies, and the mechanisms of risk management, which risk management mechanisms shall include the creation of an Operational Risk profile, and the management of Non-Life Underwriting risks, including Reinsurance risk, as well as other operational risks, and specifically including, but not limited to; Market Risk and Counterparty Risk, determining the most appropriate capital structure, financial objectives, approving budgets, overseeing the main capital expenditures, the acquisition/disposal of assets, setting performance indicators, and monitoring the implementation thereof and the overall performance of the Company, reviewing and approving the organizational and human resource requirements and ensuring the financial and human resources required for achieving the objectives and main plans of the company are available.</p> <p>e) Setting the values and standards that govern the Company's culture and operations through implementing Codes of Conduct which in adherence to regulations and best practice.</p> <p>f) Establishing and monitoring the Company's internal control system and ensuring its adequacy and effectiveness including reviewing the effectiveness of the Company's internal control procedures on an annual basis with the support of the Audit and Risk Management Committees.</p> <p>g) Defining strategic risks, and establishing and monitoring a risk management system, and</p>	<p><del>to; Market Risk and Counterparty Risk, determining the most appropriate capital structure, financial objectives, approving budgets, overseeing the main capital expenditures, the acquisition/disposal of assets, setting performance indicators, and monitoring the implementation thereof and the overall performance of the Company, reviewing and approving the organizational and human resource requirements and ensuring the financial and human resources required for achieving the objectives and main plans of the company are available.</del></p> <p><del>ii) Setting the values and standards that govern the Company's culture and operations through implementing Codes of Conduct which in adherence to regulations and best practice.</del></p> <p><del>jj) Establishing and monitoring the Company's internal control system and ensuring its adequacy and effectiveness including reviewing the effectiveness of the Company's internal control procedures on an annual basis with the support of the Audit and Risk Management Committees.</del></p> <p><del>kk) Defining strategic risks, and establishing and monitoring a risk management system, and governance frameworks, codes, charters, policies and procedures, which include the roles and responsibilities toward the management of Non-Life Underwriting risk, including Reinsurance risk, as well Market risk, Counterparty default risk, and Regulatory and AML risk management, where risks are properly defined, assessed, managed, and monitored on a continuous basis.</del></p> <p><del>ll) Establishing and monitoring the Company's corporate governance system and ensuring its adequacy and effectiveness.</del></p> <p><del>mm) Promoting higher standards of corporate governance and ensuring compliance with applicable laws and regulations at all</del></p>

Article	Before the amendment	After the amendment
	<p>governance frameworks, codes, charters, policies and procedures, which include the roles and responsibilities toward the management of Non-Life Underwriting risk, including Reinsurance risk, as well Market risk, Counterparty default risk, and Regulatory and AML risk management, where risks are properly defined, assessed, managed, and monitored on a continuous basis.</p> <p>h) Establishing and monitoring the Company's corporate governance system and ensuring its adequacy and effectiveness.</p> <p>i) Promoting higher standards of corporate governance and ensuring compliance with applicable laws and regulations at all times.</p> <p>j) Selecting and changing (if needed) executives in key positions, and ensuring that the Company has an appropriate succession planning policies, and leadership development programs, for their replacement by an appropriate alternative with the necessary skills, experience and eligibility for the role.</p> <p>k) Reviewing and approving business plans and annual budgets, including the setting of performance objectives and key performance indicators (KPIs) and monitoring the performance of the Company and the Senior Management against the performance objectives set by the Board, and ensuring that the annual business plans are within the parameters of the approved Company Risk Appetite Statements (RAS) or approving exceptions to the same, and that</p>	<p><del>times.</del></p> <p><del>nn) Selecting and changing (if needed) executives in key positions, and ensuring that the Company has an appropriate succession planning policies, and leadership development programs, for their replacement by an appropriate alternative with the necessary skills, experience and eligibility for the role.</del></p> <p><del>oo) Reviewing and approving business plans and annual budgets, including the setting of performance objectives and key performance indicators (KPIs) and monitoring the performance of the Company and the Senior Management against the performance objectives set by the Board, and ensuring that the annual business plans are within the parameters of the approved Company Risk Appetite Statements (RAS) or approving exceptions to the same, and that the plans have considered the underlying Risks.</del></p> <p><del>pp) Ensuring the accuracy and integrity of the Company's accounting and financial reporting systems and the appropriateness of its disclosure and transparency processes.</del></p> <p><del>qq) Overseeing the management of the Company's finances, its cash flows as well as its financial and credit relationships with third parties.</del></p> <p><del>rr) Ensuring that the interests of the shareholders, policyholders, employees, suppliers, regulators and any other stakeholders, are being protected at all times.</del></p> <p><del>ss) Maintaining a strong line of communication with the External Auditors.</del></p> <p><del>tt) Reviewing the Company's Interim Condensed Financial Statements (IFS), and AFS, and related party transactions contained therein,</del></p>

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	<p>the plans have considered the underlying Risks.</p> <p>l) Ensuring the accuracy and integrity of the Company's accounting and financial reporting systems and the appropriateness of its disclosure and transparency processes.</p> <p>m) Overseeing the management of the Company's finances, its cash flows as well as its financial and credit relationships with third parties.</p> <p>n) Ensuring that the interests of the shareholders, policyholders, employees, suppliers, regulators and any other stakeholders, are being protected at all times.</p> <p>o) Maintaining a strong line of communication with the External Auditors.</p> <p>p) Reviewing the Company's Interim Condensed Financial Statements (IFS), and AFS, and related party transactions contained therein, and approving them before publication, after the recommendation of the AC, subject to shareholder approval where applicable.</p> <p>q) Reviewing the Company's ABR and approving it before publication, after the recommendation of the AC, subject to shareholder approval where applicable.</p> <p>r) Reviewing the proposed appointment of the joint external auditors, and approving it, after the recommendation of the AC, subject to shareholder</p>	<p><del>and approving them before publication, after the recommendation of the AC, subject to shareholder approval where applicable.</del></p> <p><del>uu) Reviewing the Company's ABR and approving it before publication, after the recommendation of the AC, subject to shareholder approval where applicable.</del></p> <p><del>vv) Reviewing the proposed appointment of the joint external auditors, and approving it, after the recommendation of the AC, subject to shareholder approval where applicable.</del></p> <p><del>ww) Forming specialized Board Committees, pursuant to Board approval, in accordance with regulatory requirements, including the approval of the Board Committee Charters, and which shall specify the membership size, term, powers and responsibilities of such Board Committees as well as the processes for the Board to monitor such Board Committees.</del></p> <p><del>xx) Ensuring transparency in Board Member and Board Committee member appointments through formally documented Board and Board Committee Member Nomination processes</del></p> <p><del>yy) Ensuring, through the NRC's activities, and the GA approved relevant remuneration policies, that appropriate Board Member Remuneration, Board Committee Member Remuneration, Chief Executive Team Remuneration, and Company Employee Remuneration policies and procedures are in place, aligned with Corporate performance, and approved through the correct authorization protocols, including regulatory and/or public shareholder approval via General Assembly, where applicable.</del></p> <p><del>zz) Maintaining a high degree of integrity throughout the company through monitoring conflicts of interest and related party transactions and implementing an appropriate Code of Conduct</del></p>

Article	Before the amendment	After the amendment
	<p>approval where applicable.</p> <p>s) Forming specialized Board Committees, pursuant to Board approval, in accordance with regulatory requirements, including the approval of the Board Committee Charters, and which shall specify the membership size, term, powers and responsibilities of such Board Committees as well as the processes for the Board to monitor such Board Committees.</p> <p>t) Ensuring transparency in Board Member and Board Committee member appointments through formally documented Board and Board Committee Member Nomination processes</p> <p>u) Ensuring, through the NRC’s activities, and the GA approved relevant remuneration policies, that appropriate Board Member Remuneration, Board Committee Member Remuneration, Chief Executive Team Remuneration, and Company Employee Remuneration policies and procedures are in place, aligned with Corporate performance, and approved through the correct authorization protocols, including regulatory and/or public shareholder approval via General Assembly, where applicable.</p> <p>v) Maintaining a high degree of integrity throughout the company through monitoring conflicts of interest and related party transactions and implementing an appropriate Code of Conduct (Ethics) and implementing a Conflicts of Interests Policy.</p> <p>w) Developing effective communication channels to</p>	<p><del>(Ethics) and implementing a Conflicts of Interests Policy.</del></p> <p><del>aaa) Developing effective communication channels to ensure shareholders are continuously and periodically able to review the various aspects of the Company’s business and any material developments and ensuring the availability of such information, to all shareholders, at the same time, of the complete, clear, accurate and non-misleading information so as to enable all shareholders being able to properly exercise his/her rights.</del></p> <p><del>bbb) Setting policies and procedures to ensure compliance with the Saudi Arabia laws and regulations to disclose material information to shareholders and stakeholders, and ensuring the compliance of the Executive Management with these policies and procedures.</del></p> <p><del>ccc) Developing a written policy that regulates the relationship with Stakeholders.</del></p> <p><del>ddd) Reviewing and ensuring the appropriateness of the information and materials communicated to the shareholders, including for press releases on matters decided by the Board and for the general assembly meetings</del></p> <p><del>eee) Setting forth and approving the specific and explicit policies, standards and procedures for membership in the Board, Board Committees, and CET, and the associated remuneration policies, based on the recommendation of the NRC, and implementing them following the approval of the GA.</del></p> <p><del>fff) Providing recommendation to the Extraordinary GA regarding the increase or decrease of the share capital and dissolving the Company before the end of its term or deciding the continuity of the Company.</del></p>

Article	Before the amendment	After the amendment
	<p>ensure shareholders are continuously and periodically able to review the various aspects of the Company's business and any material developments and ensuring the availability of such information, to all shareholders, at the same time, of the complete, clear, accurate and non-misleading information so as to enable all shareholders being able to properly exercise his/her rights.</p> <p>x) Setting policies and procedures to ensure compliance with the Saudi Arabia laws and regulations to disclose material information to shareholders and stakeholders, and ensuring the compliance of the Executive Management with these policies and procedures.</p> <p>y) Developing a written policy that regulates the relationship with Stakeholders.</p> <p>z) Reviewing and ensuring the appropriateness of the information and materials communicated to the shareholders, including for press releases on matters decided by the Board and for the general assembly meetings</p> <p>aa) Setting forth and approving the specific and explicit policies, standards and procedures for membership in the Board, Board Committees, and CET, and the associated remuneration policies, based on the recommendation of the NRC, and implementing them following the approval of the GA.</p> <p>bb) Providing recommendation to the Extraordinary GA regarding the increase or decrease of the share</p>	<p><del>ggg) Providing recommendation to the Ordinary GA regarding the use of the reserves of the Company, if applicable/having been formed by the Extraordinary GA, or forming additional financial allocations or reserves for the Company, or for approval of the GA, and the method(s) of distributing the net profits of the Company.</del></p> <p><del>hhh) The Board shall hold periodic meetings, at least annually, or in line with the Saudi Arabia regulations as required and applicable, without any management of the business, including without the CEO.</del></p> <p><del>Further duties, tasks and responsibilities that Board members may carry out can be found within the Company CCG and the relevant Saudi Arabia Corporate Governance Regulations and/or Company Law, as applicable.</del></p> <p><del>The Company shall ensure to distribute the duties between the Board, Board Committees, CET and the Executive Management in accordance with the best practices of Corporate Governance, and in accordance with all the relevant Saudi Arabia regulations, so as to ensure the efficiency of the Company's decision making and to achieve a balance of power and authority across the Board, Board Committees, CET and the Executive Management.</del></p> <p><del>Executive Management Duties The Executive Management shall be responsible for implementing the plans, policies, strategies and main objectives of the Company in order to achieve its purposes and the Board shall form the Executive Management of the Company, with the support of the NRC, and thereafter regulate its operating procedures, monitor and oversee it and ensure that it performs the duties assigned to it, and to achieve this, the Board shall, supported by the relevant Board Committee where required and applicable:</del></p> <p><del>1. Developing the necessary human resource, financial, and other</del></p>

Article	Before the amendment	After the amendment
	<p>capital and dissolving the Company before the end of its term or deciding the continuity of the Company.</p> <p>cc) Providing recommendation to the Ordinary GA regarding the use of the reserves of the Company, if applicable/having been formed by the Extraordinary GA, or forming additional financial allocations or reserves for the Company, or for approval of the GA, and the method(s) of distributing the net profits of the Company.</p> <p>dd) The Board shall hold periodic meetings, at least annually, or in line with the Saudi Arabia regulations as required and applicable, without any management of the business, including without the CEO.</p> <p>Further duties, tasks and responsibilities that Board members may carry out can be found within the Company CCG and the relevant Saudi Arabia Corporate Governance Regulations and/or Company Law, as applicable.</p> <p>The Company shall ensure to distribute the duties between the Board, Board Committees, CET and the Executive Management in accordance with the best practices of Corporate Governance, and in accordance with all the relevant Saudi Arabia regulations, so as to ensure the efficiency of the Company's decision making and to achieve a balance of power and authority across the Board, Board Committees, CET and the Executive Management.</p> <p>Executive Management Duties - The Executive</p>	<p><del>policies;</del></p> <p><del>2. Ensuring that the Executive Management operates in accordance with the policies approved by the Board</del></p> <p><del>3. Selecting and appointing the CFO of the Company, and overseeing his/her work;</del></p> <p><del>4. Appointing the leader of the Internal Audit Department (IAD), and dismissing him/her, and determining his/her remuneration, based on the recommendation of the AC, and receiving the written reports of the IAD on at least a quarterly basis;</del></p> <p><del>5. Convening periodic meetings with the Executive Management to explore work progress, any obstacles/problems in executing its responsibilities, and review and discuss key information in respect of the Company's operations;</del></p> <p><del>6. Developing standards for the performance of the Executive Management consistent with the objectives and strategy of the Company;</del></p> <p><del>7. Reviewing and evaluating the performance of the Executive Management;</del></p> <p><del>8. Developing succession plans for the management of the Company.</del></p> <p><del>The Executive Management shall be responsible for implementing the plans, policies, strategies and main objectives of the Company in order to achieve its purposes and its duties and responsibilities are further defined within the Company CCG.</del></p>

Article	Before the amendment	After the amendment
	<p>Management shall be responsible for implementing the plans, policies, strategies and main objectives of the Company in order to achieve its purposes and the Board shall form the Executive Management of the Company, with the support of the NRC, and thereafter regulate its operating procedures, monitor and oversee it and ensure that it performs the duties assigned to it, and to achieve this, the Board shall, supported by the relevant Board Committee where required and applicable:</p> <ol style="list-style-type: none"> <li>1. Developing the necessary human resource, financial, and other policies,</li> <li>2. Ensuring that the Executive Management operates in accordance with the policies approved by the Board</li> <li>3. Selecting and appointing the CFO of the Company, and overseeing his/her work,</li> <li>4. Appointing the leader of the Internal Audit Department (IAD), and dismissing him/her, and determining his/her remuneration, based on the recommendation of the AC, and receiving the written reports of the IAD on at least a quarterly basis,</li> <li>5. Convening periodic meetings with the Executive Management to explore work progress, any obstacles/problems in executing its responsibilities, and review and discuss key information in respect of the Company's operations,</li> <li>6. Developing standards for the performance of the</li> </ol>	<p>The Board may delegate some of its authorities to the Chief Executive Officer. Some of these authorities may be specified in a Master Authority Schedule (or equivalent document) approved by the Board.</p>

Article	Before the amendment	After the amendment
	<p>Executive Management consistent with the objectives and strategy of the Company,</p> <p>7. Reviewing and evaluating the performance of the Executive Management,</p> <p>8. Developing succession plans for the management of the Company.</p> <p>The Executive Management shall be responsible for implementing the plans, policies, strategies and main objectives of the Company in order to achieve its purposes and its duties and responsibilities are further defined within the Company CCG.</p>	
<p><b>Article (7) – Reporting and Evaluating Performance Responsibilities Board Operation Controls</b></p>	<p>The Board is responsible for receiving the Chairman, or the Secretary, of the Board Committees’ reports to the Board, on the recommendations and proceedings of each Board Committee meeting, including receiving the Board Committees’ meeting minutes, and monitoring and evaluating the performance of each Board Committee in line with the Board Committee Charters, as well as the authorities delegated to the Board Committee by the Board.</p> <p>The Board is responsible for ensuring it receives sufficient information, and materials, from the CEO and the Management of the Company, through the Company Board Secretary, to enable it to monitor and evaluate the performance of the Company, the CEO and the Management.</p> <p>Recommendations – The Board shall make whatever recommendations to the Board Committees, CEO and</p>	<p><del>The Board is responsible for receiving the Chairman, or the Secretary, of the Board Committees’ reports to the Board, on the recommendations and proceedings of each Board Committee meeting, including receiving the Board Committees’ meeting minutes, and monitoring and evaluating the performance of each Board Committee in line with the Board Committee Charters, as well as the authorities delegated to the Board Committee by the Board.</del></p> <p><del>The Board is responsible for ensuring it receives sufficient information, and materials, from the CEO and the Management of the Company, through the Company Board Secretary, to enable it to monitor and evaluate the performance of the Company, the CEO and the Management.</del></p> <p><del>Recommendations – The Board shall make whatever recommendations to the Board Committees, CEO and Management which it considers appropriate on any area where it deems action or improvement is necessary.</del></p>

Article	Before the amendment	After the amendment
	<p>Management which it considers appropriate on any area where it deems action or improvement is necessary.</p> <p>Annual Board Report (ABR) and Annual Report and Accounts (ARA) – The Board shall review and authorise, based on the recommendation of the AC, and the Company Board Secretary, as appropriate and applicable, in terms of the Schedule of Matters Reserved for the Board (SMRB), and the Board Delegated Authorities Framework (DAF), the ABR and ARA which are reported externally, whether through Tadawul, the Company website, or to the public shareholders in the GA meeting(s).</p> <p>General Assembly (GA) Meetings – All the Board members, and in particular the Board Committees' Chairmen, or Committee member delegated by the Committee Chairman if applicable, must do their utmost to attend the Company's GA Meetings so as to be available to respond to any questions of the Shareholders on the Company,</p> <p>Board, Board Committee and Management's respective activities and areas of responsibility.</p> <p>Evaluation of Performance – In order to ensure that it is operating at maximum effectiveness, the Board shall annually, through the NRC, via the Company Board Secretary, and led by the NRC Chairman evaluate its own performance of achievement against the duties and responsibilities as specified in the Board Charter and within the Company's CCG.</p>	<p><del>Annual Board Report (ABR) and Annual Report and Accounts (ARA) – The Board shall review and authorise, based on the recommendation of the AC, and the Company Board Secretary, as appropriate and applicable, in terms of the Schedule of Matters Reserved for the Board (SMRB), and the Board Delegated Authorities Framework (DAF), the ABR and ARA which are reported externally, whether through Tadawul, the Company website, or to the public shareholders in the GA meeting(s).</del></p> <p><del>General Assembly (GA) Meetings – All the Board members, and in particular the Board Committees' Chairmen, or Committee member delegated by the Committee Chairman if applicable, must do their utmost to attend the Company's GA Meetings so as to be available to respond to any questions of the Shareholders on the Company, Board, Board Committee and Management's respective activities and areas of responsibility.</del></p> <p><del>Evaluation of Performance – In order to ensure that it is operating at maximum effectiveness, the Board shall annually, through the NRC, via the Company Board Secretary, and led by the NRC Chairman evaluate its own performance of achievement against the duties and responsibilities as specified in the Board Charter and within the Company's CCG.</del></p> <p>The Board shall function pursuant to the procedures set forth below and with the powers detailed below assigned to the Chairperson, Vice Chairperson, Secretary, and other members.</p> <p>1.1 Powers of the Chairperson, Vice Chairperson and Secretary</p> <p>(a) Without prejudice to the powers of the Board, the Chairperson shall be responsible for leading the Board and supervising its operations and the effective performance of its duties. The</p>

Article	Before the amendment	After the amendment
		<p>competencies and duties of the Chairperson shall in particular include the authorities set out in the Company's Bylaws.</p> <p>(b) The Chairperson may delegate any of his/her powers - within the limits of his/her authority - to one or more members of the Board or to a third party to take any action, conduct or carry out certain work or actions on his/her behalf in his/her capacity as Chairperson, as well as the right to grant the Board member or third party the authority to delegate these powers to others.</p> <p>(c) The Board shall appoint a Secretary from amongst its members or otherwise, and the duties of the Secretary shall be to record the Board's meeting in a special register and other duties assigned to the Secretary by the Board and the relevant rules and regulations. The Secretary's remuneration shall be set by the Board.</p> <p>(d) The term of the Chairperson, Vice Chairperson, Board member, and the Secretary shall not exceed the term of their membership on the Board, and they may be re-elected, and the Board may at any time dismiss them or any of them without prejudice to the right of those dismissed for compensation if the dismissal occurred for an unlawful reason or at an unsuitable time.</p> <p>1.2 Board Member's Responsibilities</p> <p>Each member of the Board shall perform the following tasks and duties:</p> <p>(a) Comply with the principles of truthfulness, honesty, loyalty, and care for the interests of the Company and its shareholders, and</p>

Article	Before the amendment	After the amendment
		<p>prioritize the Company and its shareholders' interests over the member's own interests.</p> <p>(b) Provide proposals to develop the Company's strategy.</p> <p>(c) Monitor the performance of the executive management and the extent to which it has achieved the objectives and purposes of the Company.</p> <p>(d) Review reports related to the Company's performance.</p> <p>(e) Ensure the integrity and impartiality of the financial statements and other records of the Company.</p> <p>(f) Ensure that the Company's financial control and risk management systems are sound.</p> <p>(g) Express opinions as to the appointment and dismissal of members of the executive management.</p> <p>(h) Participate in developing succession plans for executive positions within the Company.</p> <p>(i) Comply with the provisions of the Companies Law, Capital Market Law, their implementing regulations, the relevant regulations, and the Company's Bylaws when performing the duties as a member of the Board and abstaining from taking or participating in any action that would constitute mismanagement of the Company's affairs.</p> <p>(j) Attend the Board and the general assembly meetings, and not be absent from Board meetings except for legitimate excuses for</p>

**Proposed Amendments to the Board of Directors' Charter to be Presented to the Extraordinary General Assembly of the Demerger of Bupa Arabia for Cooperative Insurance Company**

Annex to the agenda of the Extraordinary General Assembly Meeting relating to the Demerger of Bupa Arabia for Cooperative Insurance Company

Article	Before the amendment	After the amendment
		<p>which the Chairperson shall (other than for emergencies) be provided prior notice.</p> <p>(k) Allocate sufficient time to fulfil the responsibilities and prepare for the Board and Board committee meetings and effectively participate therein, including by raising relevant questions and carrying out discussions with the senior executives.</p> <p>(l) Study and analyze all information related to the matters looked into by the Board before expressing an opinion on the same.</p> <p>(m) Enable other Board members to express their opinions freely, and encourage the Board to deliberate freely and obtain the views of the competent members of the Company’s executive management and others, when appropriate.</p> <p>(n) Refrain from disclosing or announcing any secrets the members possess through their Board membership to any persons or entities, unless such disclosure is made during meetings of the General Assembly or in accordance with the provisions of the Companies Law, the Capital Market Law and their implementing regulations and the Company’s contracts.</p> <p>(o) Work on the basis of complete information, in good faith and with the necessary care and diligence in the interest of the Company and its shareholders.</p> <p>(p) Recognize the duties, roles and responsibilities arising from the Board membership.</p>

Article	Before the amendment	After the amendment
		<p>(q) Develop their knowledge of the Company’s business and activities and in related financial, commercial and industrial fields.</p> <p>(r) Resign from the Board if the member is unable to fully fulfil Board membership duties.</p> <p>1.3 Board Meetings</p> <p>(a) The Board will meet at least four times per year, at the invitation of the Chairperson. The Chairperson must convene a meeting of the Board if requested to do so by one Board member.</p> <p>(b) The Board shall aim to approve the initial dates and agendas of the meetings of each financial year before such year starts. Board meeting invitations shall be sent to Board members at least five days in advance of a meeting and shall be accompanied by the agenda and the documents and information necessary for discussing and deciding on the agenda items, provided that such notice requirement may be waived by Board members. If circumstances require convening an emergency meeting, the invitation accompanying the agenda and necessary documents and other information may be sent within a period less than five days.</p> <p>(c) The Board shall hold its meetings at the Company’s headquarters or elsewhere. Meetings of the Board may be held by telephone or other means of communication, provided that it permits all Board members present to actively participate, discuss, and vote on resolutions.</p>

Article	Before the amendment	After the amendment
		<p>(d) A meeting of the Board is valid only if attended by at least one half of the members. A member of the Board may give proxy to another member of the Board to attend the meeting on his/her behalf according to relevant internal policies, provided that:</p> <p>(1) a Board member may not act as proxy for more than one other Board member at the same Board meeting;</p> <p>(2) the proxy arrangement must be documented in writing; and</p> <p>(3) the Board member acting as proxy may not, in his capacity as proxy, vote on matters on which the member who assigned the proxy is not allowed to vote.</p> <p>(e) Resolutions of the Board are adopted by majority of votes present and represented. In the case of a tie, the meeting's chair has the casting vote.</p> <p>(f) The Board may adopt resolutions in urgent matters by presenting them to the members individually, unless a member requests (in writing) that the Board be convened to deliberate on such resolutions, in which case the circular resolution will be presented to the Board at its next meeting to record it in the meeting minutes. Such a resolution will be effective if signed by the majority of the Board.</p> <p>1.4 Board Meetings Documentation</p> <p>(g) The Secretary prepares minutes of meeting which must include at least:</p> <p>(1) The venue, date, and start and end time of the meeting.</p>

Article	Before the amendment	After the amendment
		<p>(2) Names of present and absent members, and any other attendee.</p> <p>(3) Board deliberations and resolutions together with the results of votes and reasons for objections, if any.</p> <p>(4) Specifying the person(s) responsible for implementing the resolution(s).</p> <p>(h) The Secretary sends the draft minutes of meetings to Board members. Members must record their comments, if any, on the draft within a maximum period of five (5) working days from the date of receiving the draft minutes.</p> <p>(i) After incorporating any Board members comments into the draft minutes, and after the Chairperson’s approval, the Secretary sends the amended draft to the Board members in preparation for approval at the next Board meeting.</p> <p>(j) The minutes of Board meetings, accompanied by meeting agendas and all related documents, shall be maintained in a special register signed by the Chairperson and Secretary.</p> <p>1.5 Board Operations Follow-up</p> <p>The Secretary shall update the Chairperson regarding the status of the Board’s recommendations and resolutions in order for the Chairperson to present these updates periodically to the Board.</p> <p>1.6 Board Performance Evaluation</p>

Article	Before the amendment	After the amendment
		<p>The Board reviews its performance on a regular basis concerning its effectiveness in carrying out its duties and responsibilities and achieving its objectives.</p>
<p><b>Article (8) – Review and approval of the Board Charter Board Members Training</b></p>	<p>The Board approves its Board Charter subject thereafter to the public shareholders approving it during the GA meeting as part of the Company’s CCG (GA meeting approval is required by the regulations).</p>	<p><del>The Board approves its Board Charter subject thereafter to the public shareholders approving it during the GA meeting as part of the Company’s CCG (GA meeting approval is required by the regulations).</del></p> <p>8.1 The Chairperson, with the assistance of the Remuneration and Nomination Committee, shall oversee the orientation program for new members, provided that the program includes at least the following:</p> <ul style="list-style-type: none"> <li>(a) Company’s business activities.</li> <li>(b) Company’s strategy and future objectives.</li> <li>(c) Company’s organizational structure and the roles of each department.</li> <li>(d) Financial and operational aspects of the Company’s business.</li> <li>(e) Board members obligations, duties, responsibilities, and rights.</li> <li>(f) Functions of the Board committees and their competencies.</li> <li>(g) Conducting visits to any of the Company’s locations and affiliates (as appropriate).</li> </ul> <p>8.2 The Board, upon the recommendation of the Remuneration and Nomination Committee, shall define an ongoing development program for its members. The program will be based on the annual</p>

Article	Before the amendment	After the amendment
		<p>review of the skills and abilities required of members, identified weaknesses and strengths of the Board, proposed remedies, taking into consideration, given the Company's appropriate interests, the changes in the external market environment, current issues, and economic developments.</p>
<p><b>Article (9) –  <del>Other matters</del>                      Board Conflict                      of Interest</b></p>	<p>Information flows - It is the responsibility of the CET, under the direction and coordination of the Company Board Secretary, to ensure that the Board receives adequate information on a timely basis about the Company's businesses and operations at appropriate intervals and in an appropriate manner to enable it to carry out its responsibilities.</p> <p>Induction and ongoing training - On appointment to the Board, all Board members shall receive an induction tailored to their individual requirements. The induction shall include meetings with the Company Board Secretary, other Board Members, the CEO, the CET, the Executive Management, the Risk function leaders and the leaders of the Compliance and Internal Audit Departments, key external advisors, and any other appropriate employee, in order to assist Board Members in building a detailed understanding of how the Company's operations and processes operate, as well as the key issues it faces. Also, where appropriate, additional training, and updates on particular issues shall be provided.</p> <p>Board Member Access to Independent Professional Advice - All Board members, both executive and non-</p>	<p><del>Information flows – It is the responsibility of the CET, under the direction and coordination of the Company Board Secretary, to ensure that the Board receives adequate information on a timely basis about the Company's businesses and operations at appropriate intervals and in an appropriate manner to enable it to carry out its responsibilities.</del></p> <p><del>Induction and ongoing training – On appointment to the Board, all Board members shall receive an induction tailored to their individual requirements. The induction shall include meetings with the Company Board Secretary, other Board Members, the CEO, the CET, the Executive Management, the Risk function leaders and the leaders of the Compliance and Internal Audit Departments, key external advisors, and any other appropriate employee, in order to assist Board Members in building a detailed understanding of how the Company's operations and processes operate, as well as the key issues it faces. Also, where appropriate, additional training, and updates on particular issues shall be provided.</del></p> <p><del>Board Member Access to Independent Professional Advice – All Board members, both executive and non-executive, may obtain independent professional advice in furtherance of their responsibilities or duties as a Board Member when the Board Member believes it is necessary to do so, at the cost of the Company provided that:</del></p>

Article	Before the amendment	After the amendment
	<p>executive, may obtain independent professional advice in furtherance of their responsibilities or duties as a Board Member when the Board Member believes it is necessary to do so, at the cost of the Company provided that:</p> <ul style="list-style-type: none"> <li>• the Board Member reasonably believes that the advice cannot be obtained from or through the Company;</li> <li>• Before seeking the advice, the Board Member has discussed the issue with the Chairman and/or the CEO (unless the advice the Board Member seeks arises from an unresolved conflict with one or more of those directors in which case such discussion shall be with the Company Secretary and/or the Chief Risk Officer).</li> <li>• The Board Member notifies promptly the Chairman, the CEO and the Company Secretary of the nature of the advice received and provides them with copies where such advice is received in writing.</li> <li>• The Board first approves the expenditure associated with such independent professional advice, where it exceeds the limit authorized by the Board to the Chief Risk Officer in terms of the Board approved Delegated Authorities Framework (DAF).</li> </ul> <p>Procedure for Board Members seeking Independent Professional Advice - where a Board Member feels that he might require independent professional advice he</p>	<p><del>• the Board Member reasonably believes that the advice cannot be obtained from or through the Company;</del></p> <p><del>• Before seeking the advice, the Board Member has discussed the issue with the Chairman and/or the CEO (unless the advice the Board Member seeks arises from an unresolved conflict with one or more of those directors in which case such discussion shall be with the Company Secretary and/or the Chief Risk Officer).</del></p> <p><del>• The Board Member notifies promptly the Chairman, the CEO and the Company Secretary of the nature of the advice received and provides them with copies where such advice is received in writing.</del></p> <p><del>• The Board first approves the expenditure associated with such independent professional advice, where it exceeds the limit authorized by the Board to the Chief Risk Officer in terms of the Board approved Delegated Authorities Framework (DAF).</del></p> <p><del>Procedure for Board Members seeking Independent Professional Advice—where a Board Member feels that he might require independent professional advice he should, where possible, consider whether the advice can be procured on his behalf by or through the Company Secretary or other appropriate non-executive, or executive Board member.</del></p> <p><del>Before seeking external advice, unless the issue arises from a dispute or disagreement with the Chairman, the Board Member should always first discuss the issue and the proposal to seek independent advice with the Board Chairman. In addition, unless the dispute is with both</del></p>

Article	Before the amendment	After the amendment
	<p>should, where possible, consider whether the advice can be procured on his behalf by or through the Company Secretary or other appropriate non-executive, or executive Board member.</p> <p>Before seeking external advice, unless the issue arises from a dispute or disagreement with the Chairman, the Board Member should always first discuss the issue and the proposal to seek independent advice with the Board Chairman. In addition, unless the dispute is with both of them as well, the Board member should also discuss the issue, before taking the advice, with the CEO.</p> <p>In cases where more than one Board Member feels that external professional advice needs to be taken on the same or a similar issue, the Board members should co-ordinate their instructions to avoid unnecessary expense being incurred. Where possible, the Board Members should agree from whom the advice will be sought and instruct the external professional jointly.</p> <p>The expenditure for any such proposed advice should be pre-agreed, before commitment, and approved by the Chief Risk Officer, in accordance with the Board Delegated Authorities Framework (DAF).</p> <p>Board Member access to Company Officers - Board Members are entitled to full and free access to all the employees and representatives of the Company, including the advisory and support services of the</p>	<p><del>of them as well, the Board member should also discuss the issue, before taking the advice, with the CEO.</del></p> <p><del>In cases where more than one Board Member feels that external professional advice needs to be taken on the same or a similar issue, the Board members should co-ordinate their instructions to avoid unnecessary expense being incurred. Where possible, the Board Members should agree from whom the advice will be sought and instruct the external professional jointly.</del></p> <p><del>The expenditure for any such proposed advice should be pre-agreed, before commitment, and approved by the Chief Risk Officer, in accordance with the Board Delegated Authorities Framework (DAF).</del></p> <p><del>Board Member access to Company Officers—Board Members are entitled to full and free access to all the employees and representatives of the Company, including the advisory and support services of the Company Secretary, the Board Committee members and the Board Committee secretaries.</del></p> <p><del>Disclosure and Transparency—The Company’s approach to Disclosure and Transparency is defined within the Company’s CCG, and the Company shall ensure it has a Disclosure Policy, which in Compliance to all the Saudi Arabia laws and regulations, approved by the Board and reflected on the Company’s website.</del></p> <p><del>Treatment of Shareholders and Protection of Minority Shareholder Rights—The Company’s approach to the treatment of Shareholders and Protection of Minority Shareholder Rights is defined within the Company’s CCG.</del></p>

Article	Before the amendment	After the amendment
	<p>Company Secretary, the Board Committee members and the Board Committee secretaries.</p> <p>Disclosure and Transparency – The Company’s approach to Disclosure and Transparency is defined within the Company’s CCG, and the Company shall ensure it has a Disclosure Policy, which in Compliance to all the Saudi Arabia laws and regulations, approved by the Board and reflected on the Company’s website.</p> <p>Treatment of Shareholders and Protection of Minority Shareholder Rights - The Company’s approach to the treatment of Shareholders and Protection of Minority Shareholder Rights is defined within the Company’s CCG.</p>	<p>Any conflicts of interest shall be dealt with in accordance with the Company’s Conflicts of Interest Policy.</p>
<p><b>Article (10) – Corporate Governance Standards</b> <b>Board Members Remuneration</b></p>	<p>The Company Corporate Governance Standards are defined in the CCG but due to the stand alone nature of the Board Charter are repeated here for ease of shareholder and regulatory reference:</p> <p>Bupa Arabia is committed to implementing and adhering to robust Corporate Governance standards, in accordance with internationally recognized best corporate governance practice, to ensure it succeeds in fulfilling, through its Corporate Governance Framework, Code of Corporate Governance, Board and Board Committees, the five key elements of Corporate Governance:</p> <p>a. Strong Commitment to Corporate Governance</p>	<p><del>The Company Corporate Governance Standards are defined in the CCG but due to the stand alone nature of the Board Charter are repeated here for ease of shareholder and regulatory reference:</del></p> <p><del>Bupa Arabia is committed to implementing and adhering to robust Corporate Governance standards, in accordance with internationally recognized best corporate governance practice, to ensure it succeeds in fulfilling, through its Corporate Governance Framework, Code of Corporate Governance, Board and Board Committees, the five key elements of Corporate Governance:</del></p> <p><del>a. Strong Commitment to Corporate Governance</del></p> <p><del>b. Strong Commitment to world class Board Practices</del></p>

Article	Before the amendment	After the amendment
	<p>b. Strong Commitment to world class Board Practices</p> <p>c. Appropriate Control Environments and Processes</p> <p>d. Strong Regime of Disclosure and Transparency</p> <p>e. Protection of all shareholders' rights, including minority shareholders</p>	<p><del>e. Appropriate Control Environments and Processes</del></p> <p><del>d. Strong Regime of Disclosure and Transparency</del></p> <p><del>e. Protection of all shareholders' rights, including minority shareholders</del></p> <p>10.1 The remuneration of the Board members may consist of a fixed fee, an attendance allowance for meetings, in-kind benefits, or a percentage of net profits. When determining the remuneration amount, the provisions of the Companies Law and its implementing regulations, as well as the Company's Remuneration Policy, shall be taken into consideration.</p> <p>10.2 The Board report to be submitted to the Ordinary General Assembly shall include a comprehensive statement of all amounts received by Board members during the fiscal year, including bonuses, attendance allowances, and other benefits. The Board report shall also include a statement of the amounts received by Board members in their capacity as officers, administrators or any other amounts received thereby in consideration for technical or administrative activities or consultations. The Board report shall include, as well, a statement of the number of Board meetings and the number of Board meetings attended by each member since the date of the last meeting of the general assembly.</p>
<p><b>Article (11) – Definitions Final Provisions</b></p>	<p>The standard Company definitions, and acronyms, applicable throughout the Corporate Governance Framework (CGF), CCG, and the Board and Board Committees' Charters, are defined within the</p>	<p><del>The standard Company definitions, and acronyms, applicable throughout the Corporate Governance Framework (CGF), CCG, and the Board and Board Committees' Charters, are defined within the "Definitions and Acronyms" section of the Company CCG.</del></p>

**Proposed Amendments to the Board of Directors' Charter to be Presented to the Extraordinary General Assembly of the Demerger of Bupa Arabia for Cooperative Insurance Company**  
 Annex to the agenda of the Extraordinary General Assembly Meeting relating to the Demerger of Bupa Arabia for Cooperative Insurance Company

Article	Before the amendment	After the amendment
	<p>“Definitions and Acronyms” section of the Company CCG.</p>	<p>11.1 This Policy are subject to regular review for enhancement and keeping updated in line with the relevant laws and regulations.</p> <p>11.2 This Policy shall take effect from the date of its approval by the Board, which was on [●]/[●]/1447H (corresponding to [●]/[●]/2025G).</p>