



**Cancel Investment Committee and
Charter of Investment Committee:**



BUPA ARABIA FOR COOPERATIVE INSURANCE COMPANY INVESTMENT COMMITTEE

CHARTER

1. Constitution, Principal Role and Term
Constitution – This Charter has been prepared and reviewed by the Investment Committee and approved by the Board of Directors (the “ Board ”) of Bupa Arabia for Cooperative Insurance Company (“ Bupa Arabia ” or the “ Company ”) and includes at Schedule 1 an authority matrix in relation to various investments to be made by Bupa Arabia (the “ Investment Authority Matrix ”). This Charter, together with the Authority Matrix, was approved by, a Board resolution dated 19 November 2020, and the General Assembly dated 24 June 2021.
Principal Role – The principal role of the Investment Committee is to supervise (including where applicable, communicate its recommendations to the Board in relation to) the management of Bupa Arabia’s investments in accordance with (i) the authority provided to it by the Board to achieve optimal returns in light of the Board-approved risk parameters, (ii) the Company’s Investment Policy Statement, (iii) applicable liquidity and solvency constraints, (iv) Islamic Shariah principles, and (v) applicable law/regulation, including (without limitation) relevant SAMA regulations, circulars, directions and guidelines (together, the “ Criteria ”).
In performing its duties, the Investment Committee will maintain effective working relationships with the Board and Bupa Arabia’s management (including Bupa Arabia’s Asset Management Team (the “ AMT ”).
Term – The term of the Investment Committee shall run concurrent with the Board term in accordance with the Company’s bylaws, which cannot exceed the three years maximum specified by the Companies Law.
Each Investment Committee member shall hold office for a period of up to three (3) years, and such period may be extended for only one (1) further period of up to three (3) years.
2. Membership, Membership Review, Chairman and Secretary
Composition and Chairman – The Investment Committee shall comprise of not less than three (3) and not more than five (5) members subject to Board and regulatory approval where applicable. The Chairman of the Investment Committee (the “ Chairman ”) and each Investment Committee member shall be appointed by the Board after obtaining the relevant regulators’ written non-objection.
The Investment Committee shall comprise independent, executive and non-executive members and shall not include any person who may have a conflict of interest, for example representatives of external auditors, suppliers, or the Company’s major customers.
The Investment Committee members shall not be members of a board or an investment committee of any other company or entity operating in the insurance sector in the Kingdom of Saudi Arabia.
No Investment Committee member shall simultaneously serve on the investment committees of more than four (4) companies.

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Bupa Arabia Investment Committee

Charter

Version [5]: General Assembly Approval 24 June 2021.

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<p>The Chairman shall not: (a) be related to the other members of the Board or have any financial or business relationship with any members of the Board; and (b) shall not have a relationship with any executive or member of the Senior Management of the Company that could affect their independence as Chairman.</p>
<p>The Board, after obtaining the relevant regulators' written non-objection, may dismiss an Investment Committee member if they cease to satisfy the relevant membership terms or violate the provisions of the respective rules and regulations as prescribed by the Company from time to time.</p>
<p>Any Investment Committee member has the right to resign, after providing a resignation request in writing to the Board one (1) month before their resignation becomes effective.</p>
<p>The Company shall notify the relevant regulators, as applicable, in writing of the resignation of a member of the Investment Committee and the reasons therefor and provide the relevant regulators, as applicable, with a copy of the resignation request in due course.</p>
<p>In case of a vacant seat in the Investment Committee during the Term, the Board, after obtaining the relevant regulators' written non-objection, as applicable, shall appoint another member within one (1) month of the vacancy date to fill that vacant position. The new member shall complete his or her predecessor's term.</p>
<p>Knowledge – The Board shall ensure that the members of the Investment Committee collectively have sufficient knowledge and expertise to understand important issues related to investment policy and are appropriately qualified to discharge their responsibilities. All Investment Committee members, including the Chairman, must have recent and relevant financial or investment management expertise or experience.</p> <p>In addition, to perform their role effectively, each Investment Committee member must develop and maintain their skills and knowledge, including an understanding of the Investment Committee's responsibilities and of the Company's business, operations and risks.</p>
<p>Confidentiality – The Investment Committee members must each sign a Confidentiality Agreement with the Company and at all times maintain the strictest confidentiality of all matters discussed through, or associated with, the Investment Committee's activities, regardless of whether that Investment Committee member has ceased to be an active or current member. Members of the Investment Committee are prohibited from disclosing to shareholders or the public any confidential information obtained as they perform their role, other than in the general assembly, and must not use such information for their own benefit or personal gain.</p>
<p>Disclosure of Interests – Other than by virtue of being a representative of a shareholder of the Company, the Investment Committee members shall not have any direct or indirect interest in any transactions or contracts made for the account of the Company or any of its subsidiaries.</p>
<p>Investment Committee members shall not take part or participate (directly or indirectly) in any transactions, contracts or business that might compete (directly or indirectly) 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 any breach of the foregoing and to require the relevant member to account for any profit made or gained as a result of entry into any such transactions, contract or business.</p>
<p>Each member of the Investment Committee shall disclose to the Investment Committee:</p>
<p>a) Any personal financial interest in any matter including, but without limitation, any transaction, contract or business and/or family interest, to be decided by the Investment Committee; and</p>
<p>b) Any potential conflict of interest arising from a cross-membership of another investment committee or cross-directorship of, or involvement with, another entity.</p>

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<p>Any such member shall abstain from voting on resolutions of the Investment 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>The Company shall not issue or renew any insurance policy for any of the Investment Committee members or parties related thereto before the full payment of the due premium. If any member submits a request for the payment of a claim under a policy issued to that member by the Company, the claim should be treated in accordance with procedures and rules set forth by the Company without any exception or preference. The Compliance Department Leader should be notified of any payment due to the member.</p>
<p>Membership Review – The Board shall review the membership of the Investment Committee from time to time and approve any changes to the Investment Committee’s membership.</p>
<p>The membership of any Investment Committee member shall terminate automatically upon the occurrence of any change that breaches the membership’s terms as per the relevant Regulations, instructions or decisions issued by the relevant regulators. Each Investment Committee member shall immediately inform the Company in writing upon the occurrence of such a change and the relevant member shall not attend any meeting of the Investment Committee held after the date of any such change.</p>
<p>Secretary – The secretary of the Investment Committee shall be appointed by the Board on the recommendation of the Nomination & Remuneration Committee (the “Secretary”). The Secretary shall give advance notices, send meeting agendas with any relevant materials to Investment Committee members and ensure their delivery within a period of ten (10) working days prior to the meeting. The Secretary shall handle the Investment Committee’s administrative tasks, schedule the Investment Committee’s meetings in coordination with its Chairman, prepare meeting minutes and ensure that the formalities in respect of such minutes are observed (see further below).</p>
<p>Committee Members Compensation – Each Investment Committee member is entitled to annual compensation if the eligibility requirements are satisfied by that member. The compensation shall be determined by the Board as per the Board Committees’ Remuneration Policy approved by the General Assembly in accordance with the applicable law and regulations.</p>
<p>The Secretary shall be eligible for remuneration for carrying out their role for each Investment Committee meeting. The amount of such compensation shall be determined by a decision issued by the Board upon the recommendation of the Nomination & Remuneration Committee.</p>
<p>3. Meetings</p>
<p>Frequency – The Investment Committee must hold its meetings at least four (4) times a year, which should correspond with the Company’s financial reporting cycle. The Secretary shall convene a meeting on receipt of a request by any Investment Committee member or the Board. The Investment Committee must also hold an annual meeting with the Board.</p>
<p>The Investment Committee is entitled, if the need arises, to hold other meetings in response to any of the following cases including but not limited to:</p>
<p>a) Upon the request of the chairman of the Board;</p>
<p>b) Cases in which the External Auditor, Internal Audit Department Leader, Compliance Department Leader or Actuary requests a Committee meeting due to a legitimate reason; and</p>

c) Meetings on other issues such as: approval of an investment to be made by the Company in accordance with the Investment Authority Matrix, investment performance issues, compliance issues, conflicts of interest, and issues under professional and ethical codes of conduct.

Quorum and voting – The quorum of any meeting shall comprise the majority of the members of the Investment Committee. The resolutions in any meeting shall be approved by the majority of the members present and, in case of a tie, the Chairman shall have the casting vote. Voting on behalf of, or by proxy, from any member is not allowed. A decision that could be voted on at a meeting of the Investment Committee may instead be adopted by the written consent, given by electronic communication, of a majority of the members.

Attendance – Only Investment Committee members are entitled to attend the meetings. Attendance may be in person or by electronic means. The Investment Committee shall have the discretion to invite any other person(s) to attend all or part of any meeting, which it considers appropriate, as an observer.

In the absence of the Chairman, the Investment Committee shall choose a temporary chairman from the attending members.

As a minimum, the Chairman shall attend the Board meeting at which any major investment related decisions are approved.

An Investment Committee member shall be deemed to have resigned if that member fails to attend any meetings of the Investment Committee for three (3) consecutive times without presenting an excuse acceptable to the Board.

The Internal and External Auditors, Compliance and Legal representative and Risk management staff, shall be invited to make presentations to the Investment Committee, as deemed appropriate.

4. Proceedings

Notice, agenda and supporting documents – Notice of each meeting confirming the date, time and venue shall be circulated by the Secretary, or his or her designated representative, to all members of the Investment Committee and to other attendees (if appropriate) as far in advance as possible. The Secretary shall give advance notices, send meeting agendas with any relevant materials to Investment Committee members (and others, if required) and ensure their delivery within a period of ten (10) working days prior to the meeting, or such shorter period as may be agreed or required.

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

Minutes – The Secretary shall ensure that the minutes of each Investment Committee meeting are recorded, signed by all of the attending members, the Chairman and the Secretary, and entered into an official register. The minutes must also include the names of those present and in attendance, topics discussed, major deliberations, voting process, objections and abstentions from voting (with reasons if any), decisions taken, and reservations. All records and documents reviewed during the meeting and/or referred to in the minutes shall be attached to the minutes. Minutes of Investment Committee meetings shall be circulated to the members as soon as practicable following the meeting, and to each Board member with any relevant key papers for the following Board meeting (unless there is a conflict of interest in respect of a particular Board member), in each case within a period not exceeding fifteen (15) days hereafter. Persons responsible for implementing the Committee's resolutions shall be identified in the minutes.

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5. Authorities
The Board authorizes the Investment Committee and the Investment Committee shall:
a) review the Company's Investment Policy Statement on an annual basis and its implementation on a quarterly basis and monitor the overall risks of the Investment Policy Statement and undertake the review of the appropriateness thereof. The Investment Policy Statement shall be initially prepared/updated by the AMT and the Investment Committee shall recommend its approval to the Board, for the Board's approval and thereafter for approval by SAMA. The Investment Committee shall also ensure that the Investment Policy Statement is approved, or re-approved, annually by the Board;
b) ensure Investment Committee meeting minutes are prepared and the relevant formalities are complied with. The Investment Committee shall review, at least annually, its own performance and composition to ensure that it is operating effectively and recommend any changes it considers necessary to the Board for approval;
c) make recommendations on the wider investment performance to the Board as required, submit performance review reports to the Board, and provide updates to the Board on the Investment Committee's activities and the performance of the investments made by the Company against the relevant targets and industry benchmarks;
d) oversee the Company's investment portfolio and undertake the ongoing review of the performance of the Company's investments in each asset class to achieve optimal returns in accordance with the Criteria;
e) appoint/approve as appropriate, based on expertise/past performance (while ensuring that all relevant due diligence is undertaken), and review the performance and the relationship with the officially appointed investment manager(s)/fund managers as governed, in each case, by a relevant investment manager agreement (managing the Company's relationship with such investment manager(s)/fund managers shall be undertaken by the AMT);
f) ensure that all investments that are carried out are in compliance with the SAMA insurance regulations, the Investment Regulation, the Islamic Shariah principles and any other applicable laws and regulations;
g) ensure that all individuals conducting and monitoring investment activities have sufficient levels of knowledge and experience and seek external professional advice, when necessary, to perform its role, at the Company's expense, after obtaining the Board's approval;
h) monitor, on a continuous basis, any additional layers of liquidity that can be borrowed against, receive recommendations from the AMT in relation to the same, and make recommendations based thereon to the Board in relation to the same;
i) approve any investments subject to and in accordance with the Authority Matrix;
j) monitor, on a continuous basis, the Company's strategic asset allocations, receive recommendations from the AMT in relation to the same, and make recommendations based thereon to the Board in relation to the same;
k) consider investment activity and current market valuation, latest forecasts/asset allocation recommendations including buy/sell points and any other relevant investment issues;
l) agree with the Board a maximum risk level for each asset class and for the portfolio in total;
m) recommend the use of financial derivatives, subject to Shariah compliance, Board and SAMA approvals;
n) receive and review quarterly investment performance and make recommendations as appropriate;
o) review portfolio and asset class benchmarks and recommend as appropriate;
p) review the investment income annual operating plan (AOP) for the forthcoming calendar year before submission to the Board;

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- q) review and approve investment management agreements;
- r) review and appoint external advisors related to the role of the Investment Committee; and
- s) review asset liability matching (ALM).

6. Duties and Responsibilities

Members of the Investment Committee must always be fully informed of the course of business and act in good faith; with due diligence; in compliance with the applicable laws and regulations; and in the best interest of the Company’s shareholders, policyholders, and other stakeholders. Members of the Investment Committee shall perform their duties free from any external influence, whether from within or outside the Company. Members of the Investment Committee shall not allow their own personal interest, or the interest of the parties they represent, to come before, or be in conflict with, that of the Company, its shareholders, and other stakeholders. Investment Committee members are accountable for their compliance with this Charter.

In accordance with the Company’s Investment Policy Statement, the Investment Committee and the senior management shall from time to time prepare a delegated authority matrix which shall include the thresholds and the levels of approvals required for investments in various asset classes to be made by the Company. Any such authority matrix (such as the Investment Authority Matrix set out in Schedule 1) and any amendments to the same from time to time must be approved by the Board. All risk limits, exposures, and the relevant investments thresholds and the asset classes to which the authority matrix relates shall be reviewed by the Investment Committee on an annual basis and thereafter approved by the Board in order to verify their suitability for current market conditions and the Company’s overall risk tolerance. For the avoidance of doubt, the Company’s Investment Policy Statement (and any material changes thereto) must be approved by SAMA and must contain (*inter alia*) details of the Company’s determination of its strategic asset allocation, and the establishment of limits for the allocation of assets by geographical areas, markets, sectors, counterparties and currencies.

7. Corporate Governance Standards

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

8. Definitions

Unless otherwise specified, the standard definitions, and acronyms, applicable throughout this Charter are defined within the “Definitions and Acronyms” section of the Company Code of Corporate Governance.



SCHEDULE 1 INVESTMENT AUTHORITY MATRIX

Key	
Propose	Where the investment recommendation originates
Endorse	By whom the recommendation should be endorsed as part of the process
Approve	With whom the decision-making authority to proceed with the investment lies, i.e. to buy and sell investments, ¹ and to appoint/terminate a manager (as applicable)
Informed	To whom the recommendation/decision is communicated for information purposes only

Permitted Investments ²	Board	IC	CEO	CFO	AMT
Cash & Cash Equivalents					
<ul style="list-style-type: none"> • Murabaha deposits or certificates of deposit: Islamic deposits with local or international counterparties (any value) 	-	-	-	-	Approve
<ul style="list-style-type: none"> • Murabaha funds: Investment funds that invest predominantly in murabaha transactions: <ul style="list-style-type: none"> ○ any value – low risk ○ any value – medium or high risk 	-	- Approve	-	Informed Endorse	Approve Propose
<ul style="list-style-type: none"> • Structured Deposits: <ul style="list-style-type: none"> ○ yield enhanced capital guaranteed deposits (≤100m SAR) ○ yield enhanced capital guaranteed deposits (>100m SAR)³ ○ non-capital guaranteed deposits (any value) 	-	- Approve	-	Informed Approve Endorse	Approve Propose Propose

¹ Initial approvals to acquire could include the approvals (i) to sell down completely, and/or (ii) to sell down tactically for redeployment within IPS approved strategic allocations & exposure limits

² These investments are based on those found on pages 14-16 of the IPS, however the list has been developed further

³ This SAR 100m threshold for structured deposits and for sukuk may be reached by a single transaction or a series of transactions with a maximum of SAR 250m total delegated per calendar year excluding allocation to Saudi Sovereign Sukuk issuances

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Permitted Investments²	Board	IC	CEO	CFO	AMT
Fixed Income					
<ul style="list-style-type: none"> • Islamic sukuk (as permitted by SAMA guidelines), local or international: <ul style="list-style-type: none"> ○ Senior <i>and</i> USD/SAR <i>and</i> investment grade⁴ (≤100m SAR)³ ○ Subordinated <i>or</i> non-USD/SAR <i>or</i> non-investment grade <i>or</i> >100m SAR 	-	-	-	Informed	Approve
	-	Approve	-	Endorse	Propose
• Fixed income funds or DPM mandates: funds or managers that invest predominantly in sharia compliant fixed income instruments (any value)	-	Approve	-	Endorse	Propose
• Certificates and structured notes, issued by investment grade institutions that are income generating and can be liquidated when needed (any value)	-	Approve	-	Endorse	Propose
Public Equities (any value)					
• Individual Stocks: Purchasing stocks that are listed in any public market (including IPOs), local or international, including Real Estate Investment Trusts (REITs)	Approve	Endorse	Endorse	Endorse	Propose
• Equity Mutual Funds: Investment funds that invest in equities listed in any public markets	-	Approve	-	Endorse	Propose
• Signing DPM mandates to invest in listed equities (local and global)	-	Approve	-	Endorse	Propose
• Structured Products: Periodic income-generating investment products that provide exposure to listed equities with adequate capital protection	Approve	Endorse	Endorse	Endorse	Propose
Alternative Asset Classes⁵ (any value)					
• Private Equity, Private Debt, Real Estate, Infrastructure, Hedge Funds, Commodities, Leasing Strategies, Trade Finance, and Other Alternative Investments (directly or via a fund), locally or internationally	Approve	Endorse	Informed	Endorse	Propose

⁴ Or, in the local market where issues are unrated, then the rating of the issuer will be considered

⁵ Investments in derivatives, option contracts, hedge funds, deposits with foreign banks, private equity investments and any off-balance sheet instrument are prohibited and they should not be part of Bupa Arabia's asset allocation, unless specifically approved by SAMA and based on efficient portfolio management justifications. In addition, (i) such derivatives must be listed on a financial exchange, are capable of being readily closed out, are based on underlying admissible assets and have a prescribed pricing basis, (ii) the company has set aside assets that can be used to settle any obligations under these derivatives and set adequate provisions for any adverse changes on the derivatives and their coverage, and (iii) the counterparty must be reputable and in an acceptable financial condition (per Article 54 of SAMA's Investment Regulation and Article 62 of the Implementing Regulations of the Co-operative Insurance Companies Control Law).

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Permitted Investments	Board	EC*	CEO	CFO	AMT
<ul style="list-style-type: none"> • Strategic Venture Capital Investments: <ul style="list-style-type: none"> ○ ≤ 15m SAR per transaction ○ > 15m SAR ≤ 25m SAR per transaction ○ ≥ 25m SAR per transaction 	-	-	Approve	Endorse	Propose
	-	Approve	Endorse	Endorse	Propose
	Approve	-	Endorse	Endorse	Propose

*Executive Committee

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**BUPA ARABIA – SUMMARY AUTHORITY MATRIX
OF BOARD/IC ROLES UNDER THE IC CHARTER**

Responsibility (as per IC Charter)	Board	IC
Approve the IC Charter	Approve	-
Appoint the IC chairman	Approve	-
Appoint/dismiss IC members	Approve	-
Approve conflicts of interest of IC members	Approve	-
Appoint the IC secretary	Approve	-
Determine the compensation of IC members	Approve	-
Appoint investment managers (including entering into investment management agreements)	-	Approve (AMT manages the relationship)
Approve investments with fund managers	-	Approve (subject to the Investment Authority Matrix)
Identify additional layers of liquidity that can be borrowed against	Approve	Endorse (AMT proposes)
Monitor strategic asset allocation	Approve	Endorse (AMT proposes)
Establish a maximum risk level for each asset class and for the portfolio in total	Approve	Propose
Recommend the use of financial derivatives	Approve (subject to SAMA approval)	Propose
Appoint external advisors related to the role of the IC	-	Approve
Prepare/update Investment Authority Matrix	Approve	Endorse (AMT/senior management proposes)
Prepare/update investment policy statement	Approve	Endorse (AMT proposes)

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**Cancel Executive Committee and
Charter of Executive Committee**



BUPA ARABIA FOR COOPERATIVE INSURANCE COMPANY
(“Bupa Arabia”, “the Company”)
EXECUTIVE COMMITTEE (“EC”)
CHARTER

1. <u>Constitution, Principal Role and Term</u>
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 November 2020, subject to regulatory approval where applicable, and subject to public shareholders approval, where applicable, on 24 June 2021.
Principal Role – The principal role of the Executive Committee (“EC” “the Committee”) is to, on behalf of the Board, monitor the performance of the business on an ongoing basis, to review financial targets, Annual Operating Plans (AOP) and forecasts, before they are presented to the Board for approval, and to ensure that the business is operating within its solvency margin limits. The EC will review the strategies and objectives of the business and acts as a “bridge” between the Board and the management of the business on performance monitoring and approvals, thereby facilitating the Board’s efficiency and enhancing the Company’s decision making processes. The EC supports the Board with the management of the business through the review, and monitoring, of all aspects of the operational performance of the company on a routine frequent basis to ensure that there are no barriers to achieving the objectives set. It also reviews and approves, as required per its Charter, and per the Board Delegated Authorities Framework (DAF), certain aspects of a commercial nature, and supports ensuring the Company is fully compliant with all regulatory requirements. The EC reports to the Board.
In performing its duties the Committee will maintain effective working relationships with the Board, other Board Committees where required, and Bupa Arabia’s Executive and Senior management. To perform their role effectively, each Committee member will need to develop and maintain their skills and knowledge, including an understanding of the Committee’s responsibilities and of the Company’s business, operations and risks.
Term - the term of the Committee shall run concurrent with the Board term, and such term shall be governed by the Company’s By-Laws (Articles), and which cannot exceed the three (3) years maximum specified within the Company Law, as shall be approved by the Board, Regulators and thereafter the public shareholders in the General Assembly (GA) meeting.

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2. <u>Membership, Chairman and Secretary</u>
Composition and Chairman – The Committee is to comprise of no less than three (3) and no more than five (5) members, as per the Nomination and Remuneration Committee (NRC) recommendation approval, after Board and regulatory approval where applicable, in accordance with the relevant Saudi regulations. The Committee Chairman shall be appointed by the Board, subject to Regulators’ approval thereafter, and the EC may be composed of executive and non-executive members.
This 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 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 the 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 disclose any direct or indirect interest in the Company’s business and insurance contracts concluded by it and such interests shall be authorised by the public shareholders in the GA meeting(s) if applicable.
Committee 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 member of the Committee shall disclose to the Committee:
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 Committee member shall abstain from voting on the relevant matters in relation to which such interest exists and from participating in the discussions concerning such resolutions.
Secretary – The Committee Secretary shall be appointed by the Board from the Company’s staff and shall not be the Secretary of the Audit Committee.
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

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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. <u>Meetings</u>
Frequency – Committee meetings shall be held on a regular basis as needed such that the Committee meets not less than six (6) times a year. 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.
Attendance – Only Committee members, and the Committee Secretary, are entitled to attend the Committee meetings. The members, provided approved by the Chairman, shall have the discretion to invite any other person(s) to attend all or part of any Committee meeting, where it considers it appropriate.
Voting – The Committees decisions shall be issued by the majority vote of the members and, in the case of a decision having equal votes, the vote of the Chairman shall give preponderance to the decision, provided that the meeting minutes shall note the views of the other Committee member(s).
4. <u>Proceedings</u>
Notice – Notice of each meeting confirming the date, time and venue 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 five (5) days).
Agenda – The Committee Secretary, or his designated representative, shall circulate the agenda in advance of the meeting for the members to confirm and any member is entitled to request an addition to the agenda and for the Chairman to approve the addition of the same, as far in advance as possible (no less than five (5) days).
Supporting Papers – The Committee Secretary shall circulate the supporting documentation to the members a reasonable period in advance of each meeting as far in advance as possible (no less than five (5) days).
Duration – Sufficient time should be allowed in the meeting to enable the Committee to undertake as full a discussion as may be required.

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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 core authorisation categories, and the associated limits, delegated to the EC by the Board are contained within the Board approved Board Delegated Authorities Framework (DAF) and include the below detailed approvals which the EC can provide directly to the management of the business:

5.1 Mergers, Acquisitions, Disposals & strategic investments > SR15m <= SR25m

5.2 Sales Contracts, whether new or renewal: >= SR150m <= SR250m

5.3 Purchase contracts > SR8m <= SR12m (Excluding Outsourcing Contracts)

5.4 Outsourcing Contracts > SR3m <= S6m

5.5 Medical Claims/Insurance Supply Chain Contracts > 10% <= 20% of current year projected claims spend

5.6 Budgeted Capital Investment Proposals >SR3m <= SR6m

5.7 Ex-Gratia , requires joint CFO approval within the CFO limit >SR2m <= SR3m

5.8 Capex, Opex payments, Appointment of positions which report directly to CET members, wherever not within the Board approved budget, including any and all contracts as well as for prosecution, defence or litigation settlement related, whether customer compensation or other third party > SR8m <= SR10m

5.9 Other expense items, Bad debt write-off & fixed asset disposal > SR2m < =SR3m

Other approvals:

5.10 Approve the formation, membership composition and Charter, of each of the Company's "Management Committees", other than for any Management Committees which related to any Risk or other control functions and which Management Committees formation, membership composition and Charter shall be the approval responsibility of the Risk Management Committee (RMC) and the Audit Committee (AC) and which current examples of are the:

5.10.1 Bupa Arabia Executive Risk Committee (BAERC), the Underwriting Committee (UC), and the Cyber Security Committee, which authority resides with the RMC, and

5.10.2 Assurance Group Committee (AGC), which authority resides with the AC.

5.11 Recommendation approval to the Board of:

5.11.1 Approval of the annual operating plans (AOP), and capital expenditure budgets and any material changes to them.

5.11.2 Dividends

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Bupa Arabia Executive Committee Charter

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Board Approval Date: **19 November 2020**

General Assembly Meeting Approval Date: **24 June 2021**

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- 5.11.3 Changes in Share Capital and/or equity
- 5.11.4 Approval of the Company's Investor Relations website framework and content (through which the Company communicates its Governance and other activities/updates to its Shareholders via the Company website)
- 5.11.5 Media and Shareholder Communications Policy
- 5.11.6 Extension of the Company's activities into new Business sectors or new geographic areas
- 5.11.7 Any decision to cease to operate all, or any material part, of the Company's business operations

The Board authorized scope of the Committee's roles duties and responsibilities are detailed below in section 6.

6. Roles, Duties and Responsibilities

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.

The Code of Corporate Governance (CCG) includes the principal roles and responsibilities of the EC, and which are repeated below for completeness of this Charter. The Board authorizes the Committee, within the scope of its responsibilities, to:

- 6.1 Monitor the actual performance of the business, on a periodic basis, against AOP, quarterly re-forecasts and management targets.
- 6.2 Monitor the implementation of the Board's policies and procedures.
- 6.3 Monitor the performance of the Chief Executive Officer (CEO) and senior management team.
- 6.4 Review draft AOP figures prior to their submission for approval by the Board.
- 6.5 Monitor solvency levels and make recommendations as appropriate.
- 6.6 Approve operating profit, before tax and zakat, AOP/F1/F2 deviations to a maximum adverse variation which is less than or equal to 15%.
- 6.7 Provide recommendations and final approval for changes in delegation levels as specified within the Board approved Delegated Authorities Framework (DAF):
 - 6.7.1 Recommend changes to the delegation levels of the CEO for the approval by the Board,
 - 6.7.2 Approve changes to the CEO Delegated Authorities levels of the Chief Executive Team (CET) members following the CEO's recommendation.
- 6.8 Providing strategic guidance, including setting objectives and formulating strategic plans, and supervising the implementation of strategic plans and major transactions when requested by the Board.

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<p>6.9 Review of performance in the light of the Company’s strategy, objectives, business plans and budgets, including the underlying risks, and versus the Company Risk Appetite Statements (RAS), where required and applicable, and ensuring that any necessary corrective action is taken.</p> <p>6.10 Reviewing and ensuring the appropriateness of the information and materials communicated to the shareholders, including for press releases on matters, and for the general assembly meetings, when requested by the Board.</p>
<p>7. <u>Reporting and Evaluating Performance Responsibilities</u></p>
<p>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 subsequent Board meeting), and make appropriate recommendations.</p>
<p>The Committee is responsible for ensuring it receives sufficient information, and materials, from the CEO and the Management of the Company, through the Committee Secretary, to enable it to monitor and evaluate the performance of the Company, the CEO and the Management.</p>
<p>The Committee shall ensure that the Board is updated on the Committee approvals it has provided to the business.</p>
<p>Ensure that the meeting minutes are prepared by the Committee Secretary, and that they are reviewed and authorised by the in attendance Committee members and the Committee Secretary.</p>
<p>Recommendations – The Committee shall make whatever recommendations to the Board, Board Committees, CEO and Management which it considers appropriate on any area where it deems action or improvement is necessary.</p>
<p>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</p>
<p>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. If the Committee member is a Board member they must also attend the GA meetings.</p>
<p>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 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.</p>

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8. <u>Review of the Committee Charter</u>
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. <u>Corporate Governance Standards</u>
The Company Corporate Governance Standards are defined in the Company Code of Corporate Governance (CCG).
10. <u>Definitions</u>
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.

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**Cancel Risk Management Committee
and Charter of Risk Management
Committee**

DOC NUMBER

ISSUE DATE

REPLACES

APPROVAL



RISK MANAGEMENT COMMITTEE (RMC) CHARTER

A risk committee is an independent team put together by the board of directors to aid in overseeing the management's responsibility to implement an effective risk management framework that guards against major risks and losses.

We are Bupa

BUPA ARABIA FOR COOPERATIVE INSURANCE COMPANY RISK MANAGEMENT COMMITTEE

CHARTER

1. Constitution, Principal Role and Term

Constitution – The Risk Management Committee (RMC) is established by the Board of Directors of Bupa Arabia to oversee the organization’s Governance, Risk Management, Cybersecurity and Technology Risks), and Legal Affairs (collectively referred to as “GRC functions”).

This Charter was first approved by the Board of Directors on 12 October 2016 and ratified by public shareholders on 20 December 2016. This latest version, enhancing alignment with the latest regulatory corporate governance regulations, was approved by the Board during 2019. This 2025 version reflects updates made to align with the latest mandates of the Insurance Authority (IA), noting that prior SAMA requirements remain in effect under IA oversight unless officially replaced. This version is effective upon Board approval and, where required, subsequent regulatory and shareholder ratification.

Principal Role – The Risk Management Committee (RMC) is a delegated committee of the Board of Directors, established to provide independent and objective oversight of the Company’s enterprise risk management activities and the broader governance, cybersecurity & technology risks, and legal frameworks.

The Committee’s purpose is to support the Board in fulfilling its fiduciary duty regarding risk oversight by:

- Guiding the development, implementation, and periodic review of governance, risk, and control (GRC) strategies.
- Proactively questioning senior management on the design and execution of risk management processes.
- Prioritizing discussions and decisions on material and emerging risks that could impact the Company’s ability to execute its strategic objectives.
- Promoting a strong, enterprise-wide risk culture that balances risk-taking with sound internal controls and regulatory alignment.
- Ensuring adequate visibility and control over Bupa Arabia’s overall risk profile, including the effectiveness of risk appetite thresholds, escalation protocols, and management action plans.
- The Committee provides assurance to the Board that the GRC **functions are performing with integrity, independence, and strategic alignment.**

Note: All SAMA guidelines referenced herein remain in effect under the Insurance Authority (IA) until officially superseded.

2. Membership, Chairman and Secretary

Composition and Chairman – The Risk Management Committee shall consist of:

- The Committee shall consist of not fewer than three (3) and not more than five (5) members.
- Members are appointed by the Board based on NRC recommendations and are subject to regulatory non-objection.
- The Committee’s Chair must be a non-executive director, and may not be the Chairman of the Board.

Tenure and Succession

- The term of this Committee shall run concurrent with the Board term, and such term shall be governed by the Company's Articles, which cannot exceed the three years maximum specified within the Company Law, as shall be approved by the Board, Regulators and thereafter the public shareholders.
- Each member shall hold office as a Committee member for a period of up to three years, which may be extended for further periods of up to three years, after the Board is re-constituted for each term, provided the Chairman remains non-executive, and subject to the approval of the Board, and the regulator(s), as required and applicable.

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 compensation shall be as per the Board and Board Committees' Member Remuneration Policies, as approved by the General Assembly, within the parameters allowed by the law and regulations.

Membership Review

- The Board shall review the membership of the Committee from time to time and approve any changes to the Committee membership, based on the recommendation and approval of the Nomination & Remuneration Committee (NRC).

Confidentiality

- Board/Committee members must sign a Confidentiality Agreement with the Company and at all times maintain the strictest confidentiality of all the 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

Each member of the Committee shall disclose to the Committee:

- Any personal financial interest in any matter including, but without limitation to, business and family interests, to be decided by the Committee; and
- 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.

Committee Secretary

- A Secretary is appointed by the Board upon NRC recommendation and is responsible for coordination, agenda planning, meeting documentation, and records management.

3. Reporting

The Committee shall receive, on a quarterly basis, detailed reports including:

- Enterprise Risk Management Report: Covering sections on economic, geopolitical, national, regulatory, market competition topics.

- Operational and Financial Resilience Report: Covering critical business functions, crisis events, and mitigation status. With a dedicated and comprehensive Anti-Fraud Report.
- Risk Appetite Monitoring Report: Evaluating breaches, thresholds, and early warning triggers.

4. **Authority**

The RMC operates under the full authority of the Board and is empowered to:

- Access all information, systems, and employees necessary for executing its responsibilities.
- Commission external legal, regulatory, risk, or technical expertise, subject to Board Chair consultation for fee approval.
- Direct investigations into any governance, risk, cyber, control, or legal matter within its remit.
- Request the attendance of any employee or executive, including the Chief Executive Officer (CEO), when deemed necessary.
- Delegate tasks to qualified individuals or committees while retaining full accountability for outcomes.
- Receive full cooperation from all Company functions, including unrestricted access to the Chief Governance, Risk & Control Officer (CGRCO).

5. **Roles and Responsibilities**

The Committee's responsibilities are structured across six core categories:

Governance Oversight

The Committee supports the Board in maintaining a robust and modern corporate governance structure by:

- Reviewing the Governance Document Management Policy annually, ensuring alignment with IA requirements and international best practices.
- Recommending enhancements to the Delegation of Authority (DoA), enterprise policies, and procedural controls.
- Ensuring the continued relevance and effectiveness of internal codes of conduct, business ethics, and Board/Committee charters.
- Verifying that governance documentation reflects the Company's values, strategic direction, and operational realities.
- Monitoring the effectiveness of the governance architecture in facilitating risk-informed decision-making and executive accountability.

a. Risk Management Oversight

The Committee provides independent oversight of the Company's enterprise risk profile and risk management frameworks, specifically:

- Reviewing the Bupa Arabia Enterprise Risk Management (ERM) Report, which consolidates:
 - Global and Geopolitical Risk Environment
 - National and Local Risk Environment
 - Regulatory Risk Environment
 - Market and Competition Landscape Risk Environment
 - Risk Appetite and Operational Resilience
 - Anti-fraud framework and oversight activities
- Monitoring the effectiveness of the Risk Appetite Framework, including set thresholds / limits and precautionary thresholds.
- Ensuring that any risk rated High in residual terms is reviewed by the RMC and, if strategic in nature, escalated to the Board.
- Validating that the Company conducts forward-looking stress testing and scenario analysis to identify capital and business vulnerabilities.
- Overseeing the anti-fraud framework, with the Risk Management function responsible for reporting internal and external fraud incidents quarterly.

b. Cybersecurity, Privacy, Technology Risks, and BCM

Recognizing the strategic and operational importance of digital resilience, the Committee shall:

- Oversee the Cybersecurity Framework, including governance, monitoring, and breach response.
- Review the activities and findings of the Cybersecurity Committee, ensuring risks are escalated promptly.
- Oversee the Business Continuity Management (BCM) program, which is integrated within the cybersecurity function, ensuring:
 - Periodic BCP testing and audits
 - Executive-level engagement in BCM drills
 - Regulatory alignment with the SAMA BCM 1.0 framework (still in effect under the IA)
- Assess the adequacy of business continuity, disaster recovery and IT service continuity plans.

c. Legal Affairs Oversight

The Committee shall provide oversight over the legal risk posture of the Company to ensure that legal exposures are identified, escalated, and mitigated in alignment with regulatory expectations and strategic priorities. In doing so, the Committee shall:

- Oversee the effectiveness of the Legal Affairs function in proactively identifying, managing, and mitigating legal risks, including those related to contracts, litigation, regulatory investigations, and statutory obligations.

- Review periodic updates from the Head of Legal Affairs regarding:
 - Material or strategic legal disputes, claims, or settlements.
 - Legal interpretations of emerging or complex regulatory mandates.
 - Contractual risks tied to high-value or strategic agreements.
- Ensure that contract management frameworks are in place to govern legal review, delegation of authority, approval thresholds, and consistency with Board-approved risk appetite.
- Confirm that legal assessments are conducted for new initiatives, partnerships, or business models to ensure alignment with applicable laws and reduce exposure to legal disputes.
- Support legal risk awareness across the enterprise through integration into governance discussions and Board-level decisions.

d. Reporting

The Committee shall receive, on a quarterly basis, detailed reports including:

- Enterprise Risk Management Report: Covering sections on economic, geopolitical, national, regulatory, market competition topics.
- Operational and Financial Resilience Report: Covering critical business functions, crisis events, and mitigation status. With a dedicated and comprehensive Anti-Fraud Report.
- Risk Appetite Monitoring Report: Evaluating breaches, thresholds, and early warning triggers.

Reports should be prioritized to focus on key priority risks, defined as those that threaten the execution of the Company's strategic objectives. The Committee shall ensure that the Board is appropriately informed of any material risk exposures, while avoiding duplication of routine management reporting.

e. GRC Division Oversight

The Committee is responsible for protecting the independence, authority, and effectiveness of the GRC Division:

- Approving the appointment and removal of the Chief Governance, Risk & Control Officer (CGRCO).
- Ensuring the GRC Division is adequately resourced, independent from undue influence, and empowered to escalate concerns directly to the RMC.
- Reviewing the GRC Division's annual strategy and plan, including:
 - Key risk categories under supervision
 - Resource allocation
 - Coordination with Internal Audit and Compliance
- Holding executive sessions with the CGRCO, without management present, to address sensitive matters.
- Confirming that the Enterprise Risk Profile remains current, comprehensive, and regularly reported to the Board.

6. External Coordination

To fulfill its mandate effectively, the RMC shall coordinate with the following committees:

- Audit Committee: To align on financial reporting risks, internal control effectiveness, and whistleblower outcomes.
- Nomination and Remuneration Committee (NRC): To evaluate GRC leadership, succession planning, and independence safeguards.
- Investment Committee: To provide input on the risk appetite implications of capital deployment decisions and emerging market risks.

- Executive Committee (ExCom): To ensure that risk appetite thresholds, mitigation plans, and strategic assumptions are actively managed and reported across business units.
- Product Development Committee: To oversee risk reviews of new and existing product designs and performance metrics.

7. Performance Evaluation and Charter Review

- The Committee shall assess its own performance, as well as that of its members, annually. Results will be shared with the NRC or Board as required.
- This Charter shall be reviewed annually by the Committee. Revisions shall be recommended to the Board and, if required, submitted to IA or shareholders for approval.

Appendix 3 – Document Control

Synopsis	<ul style="list-style-type: none"> • Document Title: Risk Management Committee Charter • Document Status: Fifth issue • Document Effective Date: September 17, 2025 • Document Issue Date: September 17, 2025 • Document Next Revision Date: September 17, 2027 	
Key Contacts	<ul style="list-style-type: none"> • Enterprise Policy Sponsor: Amro Shawli - CGRCO • Document Owner: Rayan Sherbeny – Director Risk Management 	
Approval Authority	<ul style="list-style-type: none"> • Board of Directors - Approved: September, 2025 • Risk Management Committee - Recommended: September, 2025 • Amro Shawli (CGRCO) – Reviewed: August, 2025 • Assurance Group Committee - Reviewed: August, 2025 • Rayan Sherbeny (Director Risk Management): Prepared: July, 2025 	
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