



**Amend the Code of Corporate
Governance:**

- **Code of Corporate Governance before
amendments**
- **Code of Corporate Governance after
amendments**
 - **Comparison Table**



Bupa Arabia

Code of Corporate Governance (CCG)

Bupa Arabia for Cooperative Insurance Company
Code of Corporate Governance (“CCG”)
Board and Audit Committee Charters (Appendices A and B)
Schedule of Matters Reserved for the Board (SMRB) (Appendix 1)



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1. Approach to Corporate Governance, and Corporate Governance Standards

Bupa Arabia believes in the total commitment to implementing, and adhering to, robust Corporate Governance Standards, in accordance with internationally recognized best corporate governance practice, to ensure it succeeds in fulfilling, across all of the Corporate Governance Framework’s components, including the relevant Frameworks, Codes, Board and Board Committees’ Charters, the five key elements of Corporate Governance:

- 1.1. Strong Commitment to Corporate Governance;
- 1.2. Strong Commitment to world class Board Practices;
- 1.3. Appropriate Control Environments and Processes;
- 1.4. Strong Regime of Disclosure and Transparency; and
- 1.5. Protection of all shareholders’ rights, including minority shareholders.

This approach, and its principles, are stated once here, to avoid repetition throughout other Corporate Governance documents, and for ease of reference, but are applicable to all aspects of the Company’s Corporate Governance structures, frameworks, codes, policies, procedures and standards.

2. Commitment to Corporate Governance

Bupa Arabia is fully committed, through all levels of the Company hierarchy, including its Board and its Board Committees, to the implementation of world class corporate governance standards and to implementing, and thereafter adhering to, all the Corporate Governance regulations of all Saudi regulators. Bupa Arabia will develop and implement corporate governance structures, frameworks, codes, policies, procedures and standards to support its achievement of best practices and adherence to all the regulations and will maintain these up to date and aligned with all regulatory requirements.

Bupa Arabia created a formal Corporate Governance Framework (CGF), of which this Code of Corporate Governance (CCG) constitutes certain elements, in alignment with international best practice, and in adherence to the regulators’ Corporate Governance regulations, and the CGF and CCG were first approved by the Board of Bupa Arabia on 12 October 2016, and thereafter by the public shareholders in the General Assembly (GA) meeting, of 20 December

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2016. This update, to enhance alignment with new Saudi Arabia regulations, was approved by the Board during November 2017 and thereafter by the public shareholders in the GA meeting on 30 November 2017.

3. Definitions and Acronyms

These definitions and acronyms apply across all of the Company’s CGF components, including the relevant Codes, Board and Board Committees’ Charters, and are stated once here, to avoid repetition throughout the CGF, for ease of reference. The acronyms, words and phrases below shall have the meanings assigned to them below:

“**2LoD**” – Second (2nd) Line(s) of Defense;

“**3LoD**” – Three (3), or Third (3rd) Line(s) of Defense;

“**ABR**” – Annual Board Report;

“**AC**” – Audit Committee;

“**AFS**” – Annual Financial Statements;

“**AOP**” – Annual Operating Plan;

“**ARA**” Annual Report & Accounts (ARA);

“**Best Practices**” – means best practices in Corporate Governance, as determined by the Board and including all the laws and regulations applicable to the Company;

“**Board Chairman**” – a Non-Executive Board Member elected by the Board to preside over the Board meetings and organize its activities;

“**Board of Directors**” or “**Board**” – the collective body of the Board members of Bupa Arabia for Cooperative Insurance Company;

“**Bupa Arabia**” or “**the Company**” – Bupa Arabia for Cooperative Insurance Company;

“**CBDO**” – Chief Business Development Officer – member of the Chief Executive Team (CET) and highest ranking Business Development role in the Company;

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“CCG” – Code of Corporate Governance;

“CCHI” – Council of Cooperative Health Insurance, regulator of health insurance in Saudi Arabia;

“CEO” - Chief Executive Officer – the Company officer with the highest rank in the Executive Management of the Company, is appointed by the Board, and who is in charge of its daily management, regardless of the title of his/her position;

“CEO DAF” – Chief Executive Officer’s Delegated Authorities Framework, i.e. delegated authorities for the operations of the business, the delegated authorities below the CEO;

“CET” or **“Chief Executive Team”** or **“Executive Management”** – collectively comprising the CBDO, CEO, CFO, CHRO, COO, CRO and the CSOs;

“CFO” – Chief Financial Officer (CFO) – member of the CET and highest ranking financial role in the Company;

“CG” – Corporate Governance;

“CGF” – Corporate Governance Framework;

“Charter” – Terms of Reference (“ToR”);

“CHRO” – Chief Human Resources Officer (CHRO) – member of the CET and highest ranking Human Resources role in the Company;

“CMA” – Capital Market Authority, regulator of listed institutions in Saudi Arabia;

“CMT” – “Crisis Management Team”,

“COD” – Compliance Department;

“Committee Chairman” – the Board Committee member who has been recommended by the Board to be its Chairman and whose appointment as Board Committee Chairman has thereafter been approved by the Regulators, where applicable. The Board Committee Chairman is approved by the Board to preside over the relevant Board Committee meetings and to organize its activities;

“COO” – Chief Operations Officer (COO) – member of the CET and highest ranking Operations role in the Company;

“Co.Sec.” – Company Board Secretary, or Company Secretariat;

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“CRO” – Chief Risk Officer (CRO) – member of the CET and highest ranking Risk role in the Company;

“CSO” – Chief Sales Officer (CSO) – member of the CET and highest ranking Sales role in the Company;

“CSTRD” – Cyber Security and Technology Risk Department;

“DAF” – Board Delegated Authorities Framework – the document through which the Board provides its approval of the authority it provides to the CEO and the CEO’s direct reports;

“DCS” – Director – Company Secretariat;

“Department Leader”, “Function leader” – the most senior resource leading the department, or function, regardless of the grade of the position;

“DLACG” – Director – Legal Affairs and Corporate Governance;

“EC” - Executive Committee;

“Executive Director” or “Executive Board Member” – a member of the Board who is also a member of the Executive Management of the Company, dedicates his activity on a full time basis to the Company, participates in the day to day management of the affairs of the Company, and receives a monthly or annual salary in return thereof from the Company;

“GA” - “General Assembly”- a meeting of the public shareholders with the Company, which can be an Ordinary (OGM) or Extraordinary (EGM) General Assembly Meeting, and first requires regulatory approval and the fulfillment of the various regulatory requirements and regulatory approvals in advance of the GA invitation approval and Tadawul invitation announcement;

“IAD” – Internal Audit Department;

“IC” – Investment Committee;

“IFS” – Interim Condensed Financial Statements, as in quarterly and as announced by the Company on the stock exchange after each quarterly reporting period, after External Auditors’, AC, Board and regulatory approvals;

“Independent Director” or “Independent Board Member” – a member of the Board who is considered independent as defined by the relevant legislation, regulations and the “Best Practices” as determined by the Board, and/or the Nomination and Remuneration Committee (N&RC), based on the criteria the Board may consider as appropriate or relevant. This means that the member is fully independent from management and the Company. Independence is the

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ability to judge things after taking into account all relevant information without undue influence from management or from other external entities. Independence cannot be attained by a Board member in the following situations, including but not limited to:

- a) Being a Significant Shareholder in the Company, or in a Related Company, working for or representing a Significant Shareholder;
- b) Being a member of the Board in a Related Company or one of its subsidiaries, or having been one during the past two years;
- c) Being a member of the Board of the Company for more than nine years;
- d) Holding an Executive or Senior Management position in the Company, or in a Related Company, or having held one during the past two years;
- e) Being an employee with the Company, with a Related Company, or with a company that provides services to the Company (e.g., external auditors, consulting firms, etc.) or having worked with any one of the above during the past two years;
- f) Being a Related Person of a member of the Board or Executive/Senior Management of the Company or of a Related Company;
- g) Having a contractual or business relationship with the Company (either directly or through an entity in which she or he is a Significant Shareholder, a Board member, or a manager) which resulted in paying to, or receiving from, the Company the equivalent of two hundred and fifty thousand (250,000) Saudi riyals or more (other than his or her remuneration as a director of the Board and amounts related to insurance contracts) during the past two (2) years;
- h) Being under any financial obligation towards the Company or any members of its Board or Executive/Senior Management that might limit the exercise of independence in judgment and decision making;

“KPIs” – the Company’s Key Performance Indicators, as determined by the Board;

“KRIs” – the Company’s Key Risk Indicators, as determined by the Board;

“LACGD” – Legal Affairs and Corporate Governance Department;

“MCI” – Ministry of Commerce and Investment, the Ministry for Companies in Saudi Arabia;

“NRC” - Nomination & Remuneration Committee;

“Non-Executive Director” or “Non-Executive Board Member” – a member of the Board who does not dedicate his/her activity on a full time basis to the Company, is not involved in any way in the day to day management of the Company, and does not receive a monthly or annual salary from the Company;

“Regulation(s)” – The prevailing relevant regulations in the Kingdom of Saudi Arabia;

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“Regulators” – CCHI, CMA, MCI and SAMA;

“Related Party/Company” – a company (or one of several companies that Regulators may consider to be acting in concert) holding a shareholding of 5% or more of the equity of the Company, or a company in which the Company (either alone or with other companies that Regulators may consider to be acting in concert) holds a shareholding of 5% or more;

“RMC” – Risk Management Committee;

“RMD” – Risk Management Department;

“SAMA” – Saudi Arabian Monetary Authority, regulator of Financial (including insurance) institutions in Saudi Arabia;

“Senior Positions” – members of the Board, Board Committees, Executive Management, Company Board Secretary, leadership of the Risk function, including the Legal Affairs and Corporate Governance and Risk Management functions, as well as the two independent functions: the Internal Audit Department, and the Compliance Department;

“Significant Shareholders” – natural or legal persons that, directly or indirectly, alone or in association, controls 5% or more of the Company’s shareholding;

“Stakeholders” – persons or parties who have an interest in the Company, including shareholders, policyholders, claimants, employees, reinsurers, regulatory and supervisory bodies;

4. Board Related Responsibilities

4.1 Of the Board, including the Board Charter, and the Schedule of Matters Reserved for the Board (SMRB)

Key critical attributes of the Board members, as is the case with the Board Committee members, the CEO, the Executive Management and the Company Board Secretary include: independence, objectivity, neutrality, emotional intelligence, discretion, truthfulness, loyalty, care, appreciation of the need for confidentiality, high levels of honesty and integrity, balance, be commercially minded, have self-drive, and be practical and hard-working.

This code provides clarity of the core principal roles and the associated key responsibilities as per best practice standards and as per the Company’s interpretation of the various different laws and regulations but, for the avoidance of any doubt, whether specifically stated within this CCG or not, the responsibilities required to be

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included for the different roles, as per all the different regulations, are considered to be included within this code, as per all the different requirements of all the different Saudi Arabia laws and regulations.

The Board represents all shareholders and it shall perform its duties of care and loyalty in managing the Company’s affairs and undertaking all actions in the general interest of the Company, for the benefit of all its stakeholders, including shareholders, policyholders, claimants, employees, reinsurers, regulatory and supervisory bodies, and shall develop the Company so as to maximise its value.

The purpose of the Board is to set strategy and deliver value to shareholders and stakeholders, in compliance with the regulations and laws of the Kingdom of Saudi Arabia in an ethical and transparent manner. The Board is responsible for the Company’s values, mission and long-term vision and for providing strategic direction and guidance for the Company’s operations, including the ultimate responsibility of ensuring the company follows exemplary corporate governance and ethics and for the provision of a robust system of internal controls and procedures to be in place to fulfil compliance of the company, in both content and timeliness, with all the requirements of all the applicable laws and regulations of the jurisdictions in which it operates.

The Board’s main role and responsibility is to act on a fully informed basis, in good faith, with appropriate due diligence and fiduciary care, in the best interests of the company and the shareholders, in terms of the Company’s By-Laws (Articles), licenses and all relevant laws and regulations. The Board should apply high ethical standards and should treat all shareholders fairly, accounting for how the different decisions of the Board may affect each different shareholder and stakeholder. The Board shall always take into account the best interests of all the company’s shareholders and stakeholders, including its employees and its regulators.

The Board delegates some of its authority to its Board Committees, to enhance the effectiveness of the Board’s operations, and the Company’s decision making, and the Board is responsible for the appointment of the Chief Executive Officer (CEO). The Board delegates the responsibility for the day to day management of the business to the Executive Board Member, the CEO. The Board remains responsible for the Company’s business and operations even if it delegates some of its powers to its Board Committees, the Company’s Executive Management, or other individuals or third parties.

Appendix A, the Board Charter, contains more details relating to the Board, and Board members, roles, responsibilities and processes, and includes Appendix 1, the Schedule of Matters Reserved for the Board, and which also includes the authority of the Board and its delegations to the Board Committees of recommendation approval responsibility, where applicable. The principal roles and responsibilities of the Board Committees are also contained within this section.

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4.2 Of the Chairman, and Vice-Chairman, of the Board

The Chairman’s main role and responsibility is to lead, coordinate and manage the activities of the Board to ensure that it operates and performs effectively and fully discharges its legal and regulatory responsibilities, in accordance with the Company’s By-Laws (Articles), and the laws and regulations, and that it is not constrained in any way in the discharging of those responsibilities, without unduly interfering with the Company’s operational activities.

In addition to any other regulatory or supervisory requirements, and in addition to the role, duties, and responsibilities of the Board Members, the duties of the Chairman shall also include, but not be limited to the following:

- a) Ensuring the Board receives clear, accurate and non-misleading information and that it effectively discusses all fundamental issues sufficiently.
- b) Organizing the Board's activities, including setting the agenda for Board meetings, in consultation with the Company Board Secretary, the CEO and the other Board members, (and the external auditors if required and applicable).
- c) Presiding over the Board meetings, and overseeing the process of providing the Board with information and reports.
- d) Presiding over the GA meetings with the shareholders, and answering the shareholders’ questions where required and applicable.
- e) Encouraging Board members to effectively perform their duties in order to achieve the best interests of the company.
- f) Convening periodic meetings with the Non-Executive Board Members without the presence of any executive officers of the company.
- g) Ensuring there are communication channels with shareholders conveying their opinions to the Board.
- h) Encouraging constructive relationships and effective participation between the Board and Executive Management on the one side, and the Executive, Non-Executive and Independent Board Members on the other side.
- i) Representing the Company before third parties where required and including judicial and regulatory bodies and supervising the relationships between the Board and its internal and external parties.
- j) Supporting the Board’s efforts in promoting higher standards of corporate governance and ensuring compliance with applicable laws and regulations at all times.
- k) The Board Vice-Chairman’s role and responsibility is the same as that of the Board Chairman’s but is only performed by the Board Vice-Chairman in the absence of the Board Chairman.

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The Chairman and Vice-Chairman’s roles/ positions of the Board must each be separate and distinct from any other executive position of the Company and the roles and responsibilities of the Chairman’s, and the Vice-Chairman’s, must not overlap with any of those of the CEO.

4.3 Of the Chief Executive Officer (CEO)

The CEO is delegated the responsibility for the day to day management of the business by the Board and in turn delegates the responsibility for running each operational function to the respective CET member, or control function, or independent control function. The independent control function leads, of the Compliance and Internal Audit functions, each report directly to the Audit Committee Chairman, with administrative reporting to the CEO, as required by the regulations.

The CEO’s primary role includes the execution of business operations in line with the Board approved strategy vision, mission, culture, values and targets and includes the responsibility for the overall day to day operations, profitability, sustained growth, corporate governance processes and standards and internal control and risk management systems.

More detailed responsibilities of the CEO include, but are not limited to:

- a) Implementing, developing and championing the strategy, vision, mission, culture and values and support the development of an effective and dynamic structure appropriate to the strategic goals.
- b) Leading with the lobbying of the Company’s regulators in furtherance of the strategic intent.
- c) Leading critical negotiations and agreements that have a strategic impact on the Company continuity, success or development.
- d) Promoting the reputational image, and objectives to the market, investment analysts, though acting as the public relations officer with regards to establishing and maintaining relations with the media, investor relations related representatives and other third parties.
- e) Coordinating with management the formulation of goals and objectives for the respective functions.
- f) Developing plans and reviewing the operating results and ensuring appropriate corrective measures are taken where applicable.
- g) Overseeing the adequacy and soundness of the structures and, through the implementation of governance standards, including policy and procedures approval and adherence, and control function effectiveness, ensuring the adequacy of the internal control and risk management systems.
- h) Ensuring the Company appoints, and thereafter executes, the roles and responsibilities of the independent external actuary, as required by the regulations.

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- i) Ensuring the Company appoints, and thereafter executes, the roles and responsibilities of the independent joint external auditors, as required by the regulations.
- j) Administratively managing the independent functions of Compliance and Internal Audit.
- k) Ensuring the appropriateness of the Risk function, structures and resourcing, including its Corporate Governance, Company Secretarial, Legal Counsel, Risk Management and other leads in support of the Company’s Risk and business continuity deliverables.
- l) Overseeing the effective execution of all operational activities
- m) Recruiting decisions relating to CET members, management Directors, and other senior positions, in consultation with Management, and with the N&RC wherever required and applicable.
- n) Performing periodic performance evaluations of all direct reports and ensuring the existence of appropriate succession and leadership development plans for the leadership of the Company, and with the N&RC wherever required and applicable.

4.4 Of the Members of the Board

Amongst the primary role of all Board members is to constructively challenge and help develop management’s proposals on strategy and performance through encouraging constructive debate in the Board room and ensuring diligent review and analysis of all Board materials provided by the Management. All Board Members shall act in complete good faith, with full honesty, truthfulness, loyalty, integrity, care and diligence, in the protection of the best interests of the Company, and its shareholders and other stakeholders, and through avoiding conflicts in the role of being a Board Member, from any personal interests or other conflicts or potential related party arrangements.

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 Board Secretary and Corporate Governance function, and the Board Committee members and the Board Committee’s Secretaries. The Company Board Secretary is responsible to the Board for ensuring that Board procedures are correctly followed and that the applicable rules and regulations are compiled with.

Board Member responsibilities include, but are not limited to:

- a) Recognising their role and the duties which arise from it, and developing his/her knowledge in the field of the Company’s business and activities and in the related financial, commercial and industrial fields.
- b) Making reasonable inquiries to ensure that the Company is operating efficiently, effectively and legally, as per the laws and regulations, towards the achievement of the Board approved goals.
- c) Providing proposals to assist in the development of the strategy of the company.

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- d) Analysing and reviewing the performance of management in meeting the set/agreed goals and objectives, through monitoring managements’ performance reports, and including benchmarking to similar companies from within the insurance sector of the stock exchange.
- e) Analysing and reviewing the performance of the Board Committees, through reading and evaluating the Board Committee’s reports and meeting minutes, and following through to ensure actions are completed as committed to,
- f) Attending Board and General Assembly meetings.
- g) Allocating sufficient time to fulfil his/her responsibilities and preparing properly in advance for the Board and Board Committee meetings.
- h) Studying and analysing all information related to the matters looked into by the Board before expressing an opinion on the same.
- i) Enabling Board members to express their opinions freely and encouraging the Board members to deliberate fully on all relevant matters and to ensure the obtaining of the views of the relevant members of the Company’s Executive Management, Company Board Secretary and any other staff members, whenever required and deemed applicable.
- j) Ensuring the protection of all shareholders’ interests, including minority shareholders, at all times,
- k) Ascertaining that performance outcomes are achieved through appropriate risk evaluation and decision making, as per the laws and regulations and within the Board approved Risk Management Framework protocols and Board approved Risk Appetite Statements (RAS), which RAS to specifically include; Non-Life Underwriting Risk, including Reinsurance Risk, as well as the management of Market Risk, Counterparty Default Risk, and Regulatory and AML risk.
- l) Participating in developing succession and replacement plans of the executive positions within the company, in coordination with the NRC where required and applicable.
- m) Ensuring the integrity of financial information, and financial controls, and the authorisation of the financial results following the approval of the Board Committees, and where applicable the regulators,
- n) Ensuring that the systems of internal controls, including the Risk function, corporate governance, legal counsel, risk management, and the independent functions of Compliance and Internal Audit, are all sufficiently appropriate and robust.
- o) Ensuring the establishment and monitoring of a governance and risk management system which includes the Company Operational Risk Profile and the roles and responsibilities towards the management of Non-Life Underwriting Risk, including Reinsurance Risk, as well as the management of Market Risk, Counterparty Default Risk, and Regulatory and AML risk management, and reviewing on a periodic regular basis the strategy, policies and procedures, and approvals where required and applicable, for the management of these risks.

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- p) After accounting for the recommendations of the NRC:
- Expressing opinions as to the appointment and dismissal of the members of the CET.
 - Determining the appropriate levels of remuneration of the members of the CET, through the CET Remuneration Policy.
- q) Notifying the Board, through the Company Board Secretary for formal inclusion and confirmation through the next Board meeting, fully and immediately of:
- Any interest, direct or indirect, in the businesses that are executed for the Company’s account.
 - Of his/her participation, directly or indirectly, in any businesses that may compete with the Company or lead to competing with the Company.
- r) The “Reasonable Man” test: If a Board Member makes a decision relating to the Company’s operations, which fulfils the below specifications, then he/she will be taken to have discharged his/her duty to act with appropriate integrity, due care and diligence:
- That the decision was made in good faith for a proper purpose and in the best interests of the Company,
 - That the Board member has no personal interest in the subject matter of the decision,
 - That the Board member has taken sufficient steps to be fully informed on the subject matter of the decision, to the extent that he/she reasonably believes his/her steps to be appropriate.
- s) Receiving, and approving, the reports, and/or presentations, of the independent external Actuary, such as the annual Financial Condition Report (FCR), and the annual Actuarial Medical Expenses Pricing and Underwriting Practices Report, as required by the regulations of Saudi Arabia.

More details on the role, duties and responsibilities, of the Board members, and the functioning of the Board are detailed in Appendix A, Board Charter.

4.5 Of the Independent Board Members

A Board member is considered independent where defined as such per the relevant legislation, regulations and “Best practices”, as detailed with the “Definitions and Acronyms” section. In short an independent Board member should be completely independent of management and free from any other relationship which could materially interfere, or reasonably be perceived to materially interfere, with the exercise of their independent judgment.

In addition to the Board member responsibilities detailed herein, and within the Board Charter (Appendix A), the Independent Board Members have the additional responsibilities of:

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- a) Protecting minority shareholders through sound independent analysis and independent decision making on matters where conflicts of interest and/or related party transactions exist, including the independent voting on such matters where required in terms of regulations and/or the Company’s policies and procedures.
- b) Expressing independent opinions on strategic matters, company policies and performance, the accountability of its functions, representatives and officers, and including the appointment of the executive management members. And in the case of the Independent Board Member who is also the Chairman of the Audit Committee the appointment and independent management of the Internal Audit Department (IAD) and Compliance Department leads.
- c) Verifying that the interests of the company, and all of its shareholders, and stakeholders, including employees and regulators, are taken into account and given priority in the event of the occurrence of any conflict of interest.
- d) Participating in the Board Committees, as directed by the Board, in particular the Audit Committee of the company, as required by the laws and regulations.
- e) Overseeing the development of the Company’s corporate governance and internal control; frameworks, codes, systems, policies, procedures and standards and monitoring the implementation effectiveness, and adherence to, by management.
- f) Performing advisory functions towards the Company's various activities as assigned to them by the Board, or the laws and regulations, in order to support the Board in its leadership and decision-making, so facilitating an independent contribution to the company and shareholder's interests beyond that of the Board members who are not independent.

4.6 Of the Company Board Secretary (Co.Sec.)

The Company Secretariat (Co. Sec.) function is responsible for the overall Co. Sec. activities of Bupa Arabia, coordinating the development, implementation, and thereafter ensuring adherence to by all of the Company’s stakeholders, of the Co. Sec. related policies, procedures and processes to ensure best practice Co. Sec., Board, and Board Committee, standards in adherence to all the laws and the relevant regulations.

The Company Board Secretary shall have robust knowledge and experience of the Company's business and operational activities, possess strong communication skills, have operated at a senior level across publicly listed companies, and be au-fait with the applicable laws, regulations of the insurance industry and the best practices in corporate governance and Company Secretariat activities.

The Company Board Secretary is appointed by the Board, can be a member of the Board or of the Company’s staff, reports to the Board on Co. Sec. matters, and the Board has authorised the Company Board Secretary to:

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- a) Authorise all Tadawul announcements’ content, after obtaining, where an announcement is considered materially significant and specified by the Board, the Board approval,
- b) Authorise Certified extracts from the Board meeting minutes, and/or where required and applicable, Certified extracts of Board approvals, whether by Board meetings or by circulation, and/or of Board Resolutions, through the Co. Sec. personally physically signing and stamping the same,
- c) To request Tadawul reports on the shareholders of the Company, as required for GA meetings and other circumstances where applicable.

The Co. Sec. function is responsible for implementing processes which facilitate the effective communication of management information, through the Co. Sec., to the Board and, where required, too and from its Board Committees.

The Co. Sec. function is also responsible for ensuring the Company’s compliance and adherence with the laws and relevant regulations, and ensuring the fulfilment of the Company’s CMA/Tadawul) related requirements, as approved by the Board.

The Co. Sec. is responsible for maintaining effective working relationships at all levels of the Company, from the Chairman and Board members, the respective Board Committees and the Board Committee Members/Secretaries, Senior Management, the control functions and also key external third parties wherever required.

The Co. Sec. shall have the right to attend any Board Committee meeting(s) as observer and shall be provided with all the Board Committee meeting minutes, by all Board Committee Secretaries, to ensure their communication to the Board for review and consideration in the Board meetings.

Other responsibilities include, but are not limited to:

- a) Managing and leading the process of preparing and reviewing the Annual Board Report (ABR), ensuring that it meets all regulatory requirements, and presenting it to the AC and Board for their approvals;
- b) Coordination of the preparation, and authorisation thereafter, of the Company’s Annual Report & Accounts (ARA), and including completion of the sections of the report which the Co. Sec. is responsible for.
- c) The recommendation approval responsibilities as stated within the Schedule of Matters Reserved for the Board (GA meetings related, Shareholder’s Disclosure related, Company Website related, Governance related, Board related, and Tadawul related).
- d) Leading the implementation and maintenance of international best practice Co. Sec. and Board, and Board Committee, standards across the Company.
- e) Providing the Board Members, and Board Committee Members on request, with advisory and administrative support including ad-hoc information requests and other.
- f) Developing, recommending the approval, and implementing after approvals of Co. Sec. related as detailed within the Board Charter, including the Schedule of Matters Reserved for the Board (SMRB).

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- g) Ensuring the Company complies with all the publicly listed company (PLC) disclosure regulatory obligations.
- h) Recommending the approval to the Board of the General Assembly meeting agendas.
- i) Coordinating all the General Assembly meetings with the Board members and the shareholders, in coordination with the LACGD, including the approval/creation of the Company’s GA materials/presentations,
- j) Coordinating and authorising the Annual Report and Accounts (ARA) glossies, and preparation of the Co. Sec. sections, in accordance with the regulatory requirements.
- k) Coordinating the development and implementation of Board member induction program materials, training programs, itineraries in coordination with senior management and providing one-to-one “on-the-job” development overviews, on the Company, and its key processes, including the Board and Board Committee related, to the new Board members.
- l) Coordinating and facilitating, with the Chairman, CEO, Board Committee Chairmen and Secretaries, and with management, to ensure the carrying out the instructions of the Board and implementation of the Board’s decisions, including follow up with management on the Board actions.
- m) Coordinating the completion of the SAMA and CMA regulatory processes for the appointment of Board, and Board Committee, members, directly with the potential members, including the SAMA Fit and Proper (F&P) Forms process, to the stage of handover to the Compliance function for Compliance to obtain the SAMA no-objection approval.
- n) Performing the administrative, requirements of the role, including:
 - i. Coordinating, organizing and attending meetings of the Board and ensuring that the correct procedures are followed, in terms of the laws and regulations, including: calendars, agendas, Board materials and information packs, communication of relevant regulatory circulars and communications where required by the regulator(s). Drafting and maintaining formal written, and formally approved by physical signature, Board Resolutions, Board Meeting minutes, and extracts of the minutes, and extracts of the Board resolutions, of the Board meetings. The minutes shall include the attendees, deliberations, decisions, reservations expressed, voting results and recommendations.
 - ii. Keeping the reports and the materials as presented to, and during, the Board meetings and retaining the reports submitted to, and prepared by, the Board.
 - iii. Ensuring standardised report formats, for materials, resolutions and minutes, and distributing the same in an appropriate format and timely manner, and thereafter maintaining them in the Company’s records, and or registers, as required by the regulations.
 - iv. Co-ordinating among the Board members and providing advice and assistance to them.
 - v. Ensuring the availability of appropriate means of communication for the exchange and recording of information between the Board, the Board members, the Board Committees, and between management and the Board/Board Committees, where required and applicable.

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- o) Responsible for ensuring the accuracy of, and providing authorisation for the updating of, the Company website Investor Relations sections and anything Company Board Secretary, Director – Company Secretariat related.
- p) Participating in the annual assessment review process, and presentation to the Board, of the effectiveness of the Board and the Board Committees, and the Board and Board Committee members, in coordination with the N&RC.

5. Responsibilities of the Audit Committee (AC)

The AC membership and composition, and the AC principal roles, responsibilities, authorities, activities, relationships, and other associated operational requirements and processes relating to the AC meetings, and the management/coordination of the same, are comprehensively covered within the AC Charter which forms part of this document per Appendix B. The AC members will be appointed by the public shareholders in the GA, prospectively for each new Board term, together with the AC Charter, and retrospectively for AC Membership changes/additions within a term, in accordance with the GA approved Nomination and Appointment Policy and Procedure.

6. Responsibilities of the Other Board Committees

In order to support the Board with its oversight responsibilities, and to support the business through ensuring the efficiency of the Company decision making processes, and the internal controls and authorisation protocols, the Board is authorised to reserve certain matters for its own authorisation and to delegate some of its authority on certain matters to its Board Committees, and further to the CEO and through the CEO to the CET members.

The Schedule of Matters Reserved for the Board (SMRB) defines those matters the Board does not delegate to any other body or party and also defines those matters which the Board provides the authority to the Board Committees to recommend to the Board for the Board approval. The SMRB is approved by the public shareholders in the GA meeting.

The delegation of Board authorities to the Board Committees, and the CEO, are thereafter contained within the Board Delegated Authorities Framework (DAF), which is approved by the Board, and the Charters of the different Board Committees contain each of the Board Committees' authorities, roles, responsibilities and functioning activities, subject to regulatory approval, and public shareholder approval, wherever required and applicable.

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Bupa Arabia currently has the following Board Committees, and which respective membership and composition, principal roles, responsibilities, authorities, activities, relationships, and other associated operational requirements and processes relating to the Committee meetings, and the management/coordination of the same, are comprehensively covered within the respective Charters as per the appendices below:

1. Audit Committee (AC) – Appendix B
2. Executive Committee (EC) – Appendix C
3. Investment Committee (IC) – Appendix D
4. Nomination & Remuneration Committee (NRC) – Appendix E
5. Risk Management Committee (RMC) – Appendix F

7. Responsibilities of the Management

The principal role of management is to make operational execution decisions about the purpose and direction of the Company and to ensure that resources are properly used to fulfil the objectives of the Company. Executive management plays an important role in the support of the business outcomes, as its leadership and its decision-makers.

The relationship between management and the Board is crucial and a clear governance requirement exists to ensure that there is clear segregation of role and responsibilities between the Board and management.

Management is accountable to the Board of Directors and must:

- a) Operate within the Board Delegated Authorities Framework (DAF) approved by the Board
- b) Ensure it possesses an appropriate level of skills and resources
- c) Perform against the approved KPIs to deliver against the objectives of the Company, as set by the Board
- d) Perform against the approved KRIs to deliver against the objectives of the Company, as set by the Board

Management’s key responsibilities include, but are not limited to, the following:

- a) Implementing the Company’s internal policies, procedures and rules approved by the Board, or the Board Committees, where applicable.
- b) Managing the daily business and activities of the Company, in addition to its resources, appropriately in accordance with the strategic plans and objectives of the Company.
- c) Participating in building and developing a culture of ethical values within the Company.
- d) Proposing and developing the Company’s comprehensive strategy, principal business plan, interim business plan, policies and mechanisms for investment, financing, risk management; including Non-Life Underwriting Risk, including Reinsurance Risk, and including Market Risk, Counterparty Default risk, and Regulatory and AML risk management, and emergency administrative circumstances and implementing them.

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- e) Proposing and developing the most appropriate capital structure, main capital expenditures and acquiring and disposing of assets and financial objectives in line with the authority provided to it.
- f) Proposing and developing the organisational and human resources structures of the company and presenting them to the Board for its approval on a periodic basis.
- g) Implementing internal control systems and procedures, as the first line of defense, and generally overseeing them relating to the Enterprise Policy Management Framework and the Enterprise Policy Suite of policies and procedures.
- h) Ensuring the compliance with the law and regulations of the obligation to disclose material information to shareholders and stakeholders.
- i) Operationally executing and managing the resources (assets, staff, monetary) of the Company to achieve the Company’s strategy and results, whilst accounting for the Board approved Risk Appetite Statements.
- j) Providing the Board with the information required to exercise its competencies and providing recommendations such as, but not limited to, the following:
 - i. Amending the share capital of the Company;
 - ii. Dissolving the Company before the end of its term as specified in its By-Laws or deciding the continuity of the Company;
 - iii. Proposing the forming of additional reserves for the Company;
 - iv. Proposing the method(s) for the distribution of the net profits of the Company.
- k) Proposing and developing the policy for the types of remunerations granted to employees such as fixed remunerations, remunerations linked to performance and remunerations in the form of shares.
- l) Preparing periodic financial and non-financial reports in respect of the progress achieved in the business of the Company in light of the strategic plans and objectives of the Company, and presenting such reports to the Board.
- m) Developing, implementing and managing the Company’s corporate governance frameworks, codes, policies and procedures.
- n) Developing internal policies relating to the business of the Company, including specifying the duties, competencies and responsibilities assigned to the various organizational levels.
- o) Developing, implementing and managing the Company’s risk management (ensuring compliance with the level of risks approved by the Board) and internal control frameworks.
- p) Providing the Board with appropriate and timely information, through the Co. Sec. to facilitate the effective Board and Board Committee support of the Company.
- a) Proposing the powers to be delegated to the management, the procedures for decision making and the period of delegation, provided that it shall present periodic reports to the Board in respect of its exercise of such powers.
- b) Making recommendations to the CEO over the Company’s strategic direction and implementing the strategic plans into the operations of the Company.
- q) Being aware of relevant trends in the Company’s operating environment(s) and market(s).
- r) Assuming day to day responsibility for the Company’s operational execution of performance in support of it achieving its results objectives, in accordance with the best corporate governance, internal control and risk

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management practices, and in an ethical manner, in alignment with the Company Code of Conduct, and in conformance with all relevant laws and regulations.

- s) Ensuring the provision of a robust, experienced and appropriately qualified, in-house, actuarial and pricing capability, so as to ensure full compliance with all the requirements of all the relevant actuarial and pricing regulations of Saudi Arabia, as well as in accordance with worldwide best actuarial and pricing practices and standards.

8. Responsibilities of the Control Functions

In support of ensuring robust practices of corporate governance, internal control, and risk management, and in order to adhere to the relevant regulatory requirements of insurance companies, the Company has established the below detailed control functions. In addition to any other regulatory or supervisory requirements the principal role, duties and responsibilities of these control functions include, but are not limited to:

8.1 Risk Management Department (RMD):

The RMD is responsible for the overall Risk Management process across Bupa Arabia, coordinating the development of the Risk Management Policy and related frameworks, for monitoring the risk database/register and for reporting on material risks and treatment plans.

The RMD reports directly to the Chief Risk Officer, with access to the Risk Management Committee (RMC), and its structure, roles and responsibilities are authorised by the RMC. The structure entails: Enterprise Risk Management, Operational Risk Management and Risk Operations, Health & Safety, Management of Insurable Risks, Resilience & Technology Risk, Business Continuity Management and Risk Analytics.

The RMD's responsibilities include, but are not limited to:

- a) Developing and maintaining Bupa Arabia Risk Management Framework, policy and strategy.
- b) Developing an approach to lead and assist the Company in the implementation of the ERM Framework and related functions.
- c) Developing and maintaining the risk database/register; whether through risk assessment workshops, business planning and project meetings or through Executive/Senior Management meetings or other informal means of communications.
- d) Facilitating the process of development of the Company Operational Risk profile, and the risk treatment plans/mitigation strategies to be executed by management and monitoring and reporting on the progress.
- e) Monitoring the overall risk profile of Bupa Arabia to ensure compliance with the overall risk management strategy and ensuring that the overall risk exposure is within the accepted levels of risk tolerance.
- f) Developing and executing a mechanism to consolidate and escalate risks reported from the different Business Units to the appropriate stakeholders and decision makers.
- g) Acting as an initial point of contact for enquiries from staff on the Framework and associated processes.

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- h) Developing and promoting a risk aware culture within the organization through continuous communications, workshops, seminars and other means.
- i) Liaising with the Internal Audit Department with regards to development of comfort on matters that relate to internal controls evaluation and Risk Based Audit Planning.
- j) Constantly reviewing and analysing Bupa Arabia’s portfolio of risks and reports to identify key exposure areas and risk concentrations, including analysing risks from a company-wide perspective and develop company-wide action plans.
- k) Directing and promoting the principles underpinning a robust and continuous Information Risk Management Framework in line with the Bupa Arabia Board approved Risk Appetite Statements (RAS), and ensuring that the RAS includes; Non-Life Underwriting Risk, including Reinsurance Risk, as well as the management of Market Risk, Counterparty Default Risk, and Regulatory and AML risk.
- l) Ensuring the development, effectiveness and sustainability of business continuity management, which improves Bupa Arabia resilience to disruption that may arise from internal or external events and reduces the subsequent impact on our services, reputation and profitability.
- m) Providing assurance and oversight that data is of sufficient quality for its intended use, or that data quality deficiencies are identified and accounted for.
- n) Setting the tone and crafting the guidelines for safeguarding the privacy, confidentiality, integrity, availability, quality and manageability of Bupa Arabia information assets.
- o) Providing strong/demonstrable leadership and oversight, for health and safety across Bupa Arabia and the promotion of a ‘zero harm’ culture.
- p) Maintaining Bupa Arabia’s insurance programs, providing advice and guidance to and assisting in managing external relationships with service providers including Insurers and Brokers.

8.2 Legal Affairs and Corporate Governance Department (LACGD):

The LACGD is responsible for the overall Legal and Corporate Governance (CG) activities of Bupa Arabia, coordinating the development, implementation, and thereafter ensuring adherence to by all of the Company’s stakeholders, of the Legal and CG related structures, frameworks, codes, policies and procedures and which shall facilitate best practice CG standards, in adherence to all the laws and the relevant regulations, and in particular all the respective Corporate Governance regulations.

The LACGD is responsible for the frameworks, codes, policies and procedures of corporate governance in accordance with all the laws and the relevant regulations.

The LACGD reports to the Chief Risk Officer (CRO) on Legal and CG matters, and is responsible for ensuring the Company’s compliance and adherence with the laws and relevant regulations. The LACGD also manages the Capital Market Authority (CMA) and stock exchange (Tadawul) related as lead function managing the CMA and Tadawul regulatory relations and requirements, as approved by the Board.

The principal role and responsibilities of the LACGD include, but are not limited to:

As Company Legal Counsel:

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- a) Legal Risk Management – providing legal risk management services so as to manage the legal position for all strategic initiatives, investments activities and new legal entities and joint ventures, including the design of contingency plans around legal risk elements. Ensure the prompt reporting of any legal risks, to all required parties, in accordance with the Company Risk Appetite Statements. Conduct an annual full review of the Company’s legal risks in line with the Legal Risk Assessment Framework. Provide legal advice to all levels of the Company, including the Board and Board Committees, and securing external independent legal advice where required and applicable.
- b) Contracts management – providing contract management capability including; ensuring the standardisation of contracts in adherence to regulatory requirements, the negotiating of significant agreements to ensure successful conclusion in the best interests of the Company and sign off, monitor the success of agreements against outcomes, and provide advance approval of all legal documents and operational frameworks to ensure the protection of the Company from any liabilities.
- c) Litigation Management - representing the Company in litigation and other legal proceedings, serve as the Company’s key contacts and negotiators with government agencies from a legal standpoint, ensuring all material Claims are reported in accordance with the Litigation and Claims Reporting Standards, and coordinate the defence of the rights and the interests of the Company before courts of law, arbitration courts, public authorities, private or public legal entities, individuals, any other third party.
- d) “Speak Up” related - ensuring an adequate “*Speak Up*” infrastructure is in place in compliance with all laws and regulations related to whistle blowing, that there is proper recording and monitoring of concerns raised, that investigations, conclusions and actions are taken in a secure and confidential manner, and that appropriate steps are taken to ensure that the Speak Up Policy is complied with and that it operates effectively and consistently across BA.
- e) Providing advisory and investigative services including high quality advice on legal matters, consequences and required actions, to all levels of the organisation, and including the monitoring, identifying and interpretation of changes in the legislation and regulations that affect the Company’s activities. To provide legal advice and oversight on all strategic projects, including mergers & acquisitions, joint ventures, subsidiary incorporation, divestitures, etc.

On Corporate Governance:

- a) Responsible for managing all the regulatory relations of the Company with respect to a) the CMA, b) Tadawul, c) The MOCI, and d) SAGIA, and ensuring; open, transparent and mutual constructive relationships with all these regulators so as to facilitate the securing of the required regulatory approvals, ensure prompt awareness of regulatory requirements and changes, and to ensure access from an advisory perspective to mitigate exposure to regulatory fines and/or censure.
- b) Ensuring up to date Company By-Laws (Articles) in line with the laws and regulations and ensure that routine periodic gap analysis exercises occur versus all relevant laws and governance regulations.

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- c) Ensuring that all legal procedures are compliant with required laws and regulations in the terms of the respective legal entities (such as Commercial Registrations, Trademarks etc.).
- d) Leading the implementation and maintenance of international best practice corporate governance standards across the Company.
- e) Developing, recommending the approval of, and implementation after Board approval, and where applicable after regulatory approval, the CG related from within the Corporate Governance Framework (CGF), and in particular this Code of Corporate Governance (CCG).
- f) Monitoring and ensuring the Company’s adherence to the CG regulations of the CMA and SAMA, the Company law, and any other regulations where applicable and recommending improvements to the Company frameworks and standards associated with the same.
- g) Ensuring the Company complies with the CG disclosure obligations of the laws and regulatory requirements, including of the stock exchange (Tadawul) announcements and content, following Board, or Company Board Secretary, approval where required by the Board.
- h) Being the custodian of the CG manual, framework, code, and all CG policies and procedures.
- i) Monitoring regulators’ circulars and prospective regulations that will be issued in the future on corporate governance, including the responsibility for evaluation and regulatory feedback to regulators, on CG regulations, when required.
- j) Leading on the management and coordination of all the regulatory requirements of the all the GA meetings, including the management of the securing of the CMA regulatory required GA approvals and the management of the relations with the CMA/Tadawul and the obtaining of the shareholder database from Tadawul for the GA meeting voting.
- k) Annually reviewing the Annual Board Report (ABR) and ensuring that it meets all CG related regulatory requirements of the CMA.
- l) Managing on a day-to-day basis, the corporate governance structure and decision making framework, ensuring all necessary information is provided to the CEO, and the Chairman of the Board upon request, in a timely manner;
- m) Preparing an annual CG report containing the status of CG practices and level of Compliance versus the relevant CG policies, procedures, regulations and best practices.

8.3 Cyber Security & Technology Risk Department (CSTRD):

The CSTRD’s principal role is to provide second line of defense business support, challenge and recommendations with respect to the Company’s Cyber Security and Business Continuity and Information Security/Business intelligence requirements, in adherence with worldwide best practice governance and all the relevant Saudi regulations, in particular those related to Business Continuity, Cyber Security, Data Security, Disaster Recovery, and Critical Incidents, and its key roles include, but are not limited to;

- a) Providing Business Continuity Planning and Disaster Recovery assessment and monitoring services to the Company including annual evaluations

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- b) Performing a lead role in Crisis Management events
- c) Leading and coordinating BCP, DR, Information Technology audits/assessments, whether internally or by external third parties
- d) Responsible for the implementation of the Company Cyber Security Framework in accordance with the Board approved roadmap in adherence to the SAMA Cyber Security framework and associated regulations
- e) Responsible for the following key Enterprise Policies and associated procedures:
 - a. Business Continuity Management
 - b. Critical Incident
 - c. Cyber Security
 - d. Data Quality
- f) Providing reports on its assessments and activities to the Board, and/or AC and RMC, as required and applicable
- g) Meeting with external third parties on its areas of subject matter expertise, such as clients and regulators, where required and applicable

9. Responsibilities of the Independent Functions

9.1 Compliance Department (COD):

The COD is responsible for monitoring the Company’s compliance, at all times, with all applicable laws, regulations, and rules issued by SAMA and other related regulatory bodies, and to take necessary actions to enhance the regulatory compliance.

The COD reports directly to the AC and its structure, roles and responsibilities are authorised by the AC. The COD is constituted of three (3) Units: Regulatory Compliance, Compliance Inspection and Finance Crime.

The roles and responsibilities of the COD include, but are not limited to:

- a) Engaging with the Company’s Regulators (SAMA and CCHI) as they establish regulations, and assure compliance with such regulations in order to maintain Bupa Arabia’s reputation for integrity.
- b) Leading on the securing of all required regulatory approvals from SAMA and the CCHI.
- c) Informing SAMA promptly of all the approvals which SAMA is required to be informed of, whether from the Board, Board Committees or other regulators.
- d) Championing and managing the protocol detailing the individual(s) responsible for communicating with regulators, which provides for adequate record-keeping of all interactions with regulators and the timely provision of reports/requested information to regulators. It should also set out protocols for reporting internally on key points of regulator interaction e.g. findings from regulator reviews.
- e) Strengthening the company’s measures to prevent and detect money laundering and combat terrorism financing by playing an integral part in investigating, analyzing interpreting and reporting, in addition to

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- a) Preparing and submitting a written report on its activities at least quarterly to the Board and the AC and which shall include an assessment of the Company’s internal control system and opinions and recommendations thereon.
- b) Preparing a general written report to be submitted to the Board and the AC on its activities carried out during the fiscal year compared to the approved plan and which shall include explanations for any deviations to the plan, if any, and such report shall be produced and presented during the quarter following the end of the fiscal year.
- c) Being responsible for properly managing the department so that
 - a. Audit work fulfils the purposes and responsibilities established herein;
 - b. Internal Audit resources are efficiently and effectively employed; and
 - c. Audit work conforms to the Standard for the Professional Practice of Internal Auditing.
- d) The scope to encompass, but is not limited to, the examination and evaluation of the adequacy and effectiveness of Bupa Arabia’s governance, risk management, financial and internal control processes in relation to Bupa Arabia’s defined goals and objectives.
- e) Monitoring the internal control system and verifying that the Company and its employees comply with the applicable laws, regulations and instructions, and Bupa Arabia’s policies and procedures.
- f) Placing reliance on the work of other functions, such as the second line audit functions and third party providers, to ensure coverage is maximised and duplication of effort is avoided but only as appropriated and after performing a thorough evaluation of the effectiveness of the function, including its independence.
- g) Outsourcing or co-sourcing with external third parties to discharge responsibilities where additional capacity is required and it is deemed to be cost effective. The appointment of any third party Internal Audit providers will be in accordance with Bupa Arabia procurement policies and procedures.
- h) Performing consulting and advisory services relating to governance, risk management and control as appropriate for Bupa Arabia. It may also evaluate within the independence requirements, specific operations at the request of the Board, AC, BAERC or management as appropriate.
- i) Reporting significant risk exposures and control issues identified to the Board, Audit Committee and to Executive/Senior Management, including fraud risks, governance issues, and other matters needed or requested by the Audit Committee.
- j) Assisting the AC in evaluating the quality of the performance of the external auditors and their degree of coordination with the IAD.

10. Roles & Responsibilities of the Actuarial Function & the Appointed Actuary

The Actuarial function is divided into three main areas covering all but not limited to the responsibilities mentioned in SAMA’s actuarial work rules and regulations:

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1. Reserving & Forecasting
 - a. Reserving
 - b. Forecasting & Reserving (including but not limited to analysis, forecasts in: Trend, Inflation, Price Increase, Contribution, Top Providers)
 - c. Actuarial Reporting (including but not limited to: Risk Management, IFRS 17, Solvency & Capital, Reinsurance, ALM and Experience Studies)
 2. Pricing & Data Analytics
 - a. Annual Medical Pricing
 - b. Quarterly Medical Pricing Adequacy
 - c. Predictive Modeling
 3. Product Development
 - a. Product Performance Monitoring
 - b. New Product Development Analysis
 - c. Liaison with Pricing, Marketing and Sales regarding Product Development
- As stipulated in the Actuarial rules and regulations published by SAMA on March 1st, 2020, the Board of Directors and Senior Management of the Company must provide the Actuarial Function with sufficient resources commensurate with the scale and complexity of the Company’s business, including sufficient human resources as well as access to information technology and other appropriate systems, training and professional development.

Additional roles & responsibilities related to the Appointed Actuary:

- The Appointed Actuary shall deliver periodic regulatory or supervisory reports and templates as per the Rules and Regulations published by SAMA as well as any additional actuarial tasks to be requested by SAMA.
- The Appointed Actuary shall have the right to access the board papers, accounting books and other records and documents, business plans, supporting analyses and schedules deemed necessary for the carrying out of their duties and be entitled to obtain from the Board of Directors and Senior Management of the Company the information and explanations the Appointed Actuary deems necessary, subject to appropriate controls to maintain the confidentiality of the Company’s information by the Appointed Actuary, and all those who assist the Appointed Actuary in the discharge of his or her responsibilities.
- The Appointed Actuary must take appropriate steps to effectively engage the Board of Directors and Senior Management in the findings of his or her reports, presenting and discussing findings directly with the Board of Directors and with the Audit and/or Risk Committee and, where relevant, the Company’s internal and external auditors.
- Keep records of their work subject to strict data confidentiality, organized according to their Actuarial Association’s professional standards. Where the Appointed Actuary is not an employee of the Company, the records must be held within the Company and retained by the Company for at least ten years within the

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Company after the date of the report to which the records or documentation relates and must be accessible only to the Appointed Actuary and his or her delegates, the Company and SAMA.

11. Disclosure & Transparency

Bupa Arabia believes that its results, governance, and other material activities, should be disclosed as transparently as possible, in as timely a manner as possible, simultaneously to all its stakeholders, in both English and Arabic, within the prescribed laws and regulations.

The LACGD and Co. Sec. functions monitor “Best Practices” in disclosure and financial reporting and the Company Board Secretary reports on these developments to the Board, making recommendations for the routine regular enhancement of the Company’s disclosure practices to its shareholders.

Bupa Arabia recognizes its obligation to provide meaningful information on its activities to all its stakeholders, and which it considers includes its shareholders, regulators, employees, and the public in general and is committed to disclosing all material information on a timely basis, in both English and Arabic, in accordance with the laws and regulations.

The Board accepts responsibility for its Annual Financial Statements (AFS), quarterly Interim Condensed Financial Statements (IFS) in accordance with International Financial Reporting Standards (IFRS), where applicable as interpreted/amended by local regulations, as well as its Annual Board Report (ABR) and its full Annual Report and Accounts (ARA), for their accuracy, and for their completeness.

The Board is also committed to the implementation, and adherence to following the approval of the public shareholders, transparent Nomination and Appointment processes for the appointment of the Board members, on a cumulative voting basis, as required by the laws and regulations, and the appointment of the Audit Committee members.

The disclosure policies of Bupa Arabia shall take into consideration and ensure the following:

- a) That all shareholders and other stakeholders have access to the financial and non-financial information pertaining to the Company’s performance and information in respect to ownership of shares, and to obtain a comprehensive view of the Company’s position.

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- b) Disclosure shall be made without discrimination in a clear, correct and non-misleading fashion, in a timely, regular and accurate manner, in both English and Arabic, in order to enable shareholders and stakeholders to exercise their rights to the fullest extent.
- c) The Company’s website shall include all information required to be disclosed, in both English and Arabic, and any details or other information that may be published thorough other disclosure methods.
- d) Reporting procedures/rules shall be established to describe the information required to be disclosed and the method of its classification in terms of its nature and the frequency of its disclosure.
- e) The disclosure policies shall be reviewed periodically, and their compliance with the best practices and the regulations verified.

Bupa Arabia commits to developing and maintaining, as part of its disclosure and transparency commitments, in both English and Arabic, so as to ensure all its local and foreign shareholders are all equally well informed:

- a) Meaningful and informative GA meetings with the shareholders, in a fully bi-lingual format, within the parameters allowed by the laws and regulations, and including the highest quality Annual Report and Accounts (ARA) glossies,
- b) Tadawul stock exchange announcements, in a fully bi-lingual format, in accordance with the laws and regulations.
- c) To maintain an up to date, fully bi-lingual, Company website containing the Company information and documents relating to the:
 - I. Memorandum of Association
 - II. Company By-Laws (Articles)
 - III. Licenses
 - IV. General Assembly meeting minutes
 - V. Every Tadawul stock exchange announcement
 - VI. Every set of announced ARA, AFS, ABR and IFS
 - VII. Best practice Corporate Governance and Investor Relations information
 - VIII. All information as required as per the laws and regulations of Saudi Arabia
- d) To provide Annual, and Quarterly, interactive financial results web-cast presentations, after the Tadawul reporting of the same, for shareholders and investment analysts, which to be presented by the Executive Management of Bupa Arabia.
- e) To ensure accurate and detailed information in the Company Annual Reports, fulfilling as a minimum that required per the regulations, and including additional information, where appropriate and allowed by the laws and regulations, to support investors in their understanding the current, and likely future operating results, including the financial status/condition and including the risks/potential impacts of known trends and future uncertainties, in a fair and balanced manner.

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12. Treatment of Shareholders and Protection of Minority Shareholder Rights

Bupa Arabia will ensure that it treats all of its shareholders fairly and equitably, including its minority shareholders, through its Corporate Governance, internal control and risk management systems and protocols, through ensuring that all conflicts of interests are adequately disclosed, recorded and monitored and that all related party transactions are appropriately disclosed, after authorisation by the Board, after Board Committee approval wherever required and applicable, within the reported financial results, and the Annual Board Report, in accordance with the Company's Conflicts of Interests policies and procedures, and that such conflicts, and related party transactions, are clearly represented during the Company's GA meetings for the approval of the shareholders, in accordance with the laws and regulations.

Bupa Arabia shall take the following steps to ensure the fair treatment of its shareholders:

- a) Obtaining shareholders rights protection.
- b) The Board and Management of the Company is obliged not to discriminate among shareholders who own the same class of shares, nor prevent them from accessing any of their rights or information.
- c) The internal policies of the Company specify the procedures necessary to guarantee that all shareholders exercise their rights.

All rights related to shares that shall be guaranteed to the shareholder are outlined in the CMA Corporate Governance Regulations.

Bupa Arabia shall make available to the shareholders complete, clear, accurate and non-misleading information to enable him/her to properly exercise his/ her rights, and shall ensure that such information is provided at the proper times and is updated regularly.

Bupa Arabia shall take active steps to encourage its shareholders to participate in the GA meetings and to vote on the various different matters whether in person, or in their absence by proxy.

Bupa Arabia's policy is that all Board members must be present at the GA meetings, and be invited to address relevant questions from the shareholders directly.

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Bupa Arabia for Cooperative Insurance Company
Code of Corporate Governance (“CCG”)
Board and Audit Committee Charters (Appendices A and B)
Schedule of Matters Reserved for the Board (SMRB) (Appendix 1)



Representatives from the external auditors must always be present, at the GA which approves the annual results, to directly answer shareholders’ questions about the external audit and the external auditors’ report.

Bupa Arabia shall assign separate voting for each of the separate agenda items that are raised at the GA Meetings, with separate voting on each, whether on a cumulative basis, or non-cumulative basis, as prescribed by the laws and regulations.

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Bupa Arabia
Code of Corporate
Governance (CCG)

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Appendix A – Board Charter, and Appendix 1 – Schedule of Matters Reserved for the Board (SMRB)

Appendix B – Audit Committee Charter

Appendix C – Executive Committee Charter

Appendix D – Investment Committee Charter

Appendix E – Nomination & Remuneration Committee Charter

Appendix F – Risk Management Committee Charter

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1. Approach to Corporate Governance, and Corporate Governance Standards

Bupa Arabia is dedicated to adhering to internationally acclaimed best practices in corporate governance. This commitment is crucial for achieving excellence across the three (3) primary corporate governance elements:



Key elements of Bupa Arabia’s governance approach include:



To streamline references and avoid redundancy across various governance documents, these principles are outlined here and are applicable throughout all corporate governance structures, policies, and procedures of the Company.

2. Commitment to Corporate Governance

Bupa Arabia is committed to upholding world-class corporate governance standards at all organizational levels, from the Board down to management committees. This commitment encompasses not only the application, but also the ongoing adherence to all corporate governance regulations mandated by Saudi authorities. The Company continuously develops and updates its governance frameworks, codes, policies, procedures, and standards to align with best practices and meet regulatory demands.

A formal Corporate Governance Framework (CGF), which includes this Code of Corporate Governance (CCG), was established in alignment with international standards and local regulatory requirements.

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The CGF and CCG were endorsed by the Board on October 12, 2016, and subsequently approved by public shareholders at the General Assembly on December 20, 2016. Further enhancements to align with new Saudi regulations were approved by the Board in November 2017 and ratified by shareholders on November 30, 2017, ensuring that our governance practices remain robust and effective.

3. Definitions and Acronyms

For clarity and consistency, the following definitions and acronyms are used throughout all components of the Company’s CGF, including relevant Codes, and Board and Committee Charters. These are documented here to prevent redundancy and facilitate ease of reference. Each term or acronym is defined as follows:

- **“ABR”** – Annual Board Report.
- **“AC”** – Audit Committee.
- **“AC Chairman”** – the chairman of the AC.
- **“AFS”** – Annual Financial Statements.
- **“AOP”** – Annual Operating Plan.
- **“ARA”** – Annual Report & Accounts (ARA).
- **“Best Practices”** – means best practices in corporate governance, as determined by the Board from time-to-time, encompassing all the laws and regulations applicable to the Company.
- **“Board Chairman”** or **“Chairman”** – a Non-Executive Board Member elected by the Board to preside over the Board meetings and organize its activities.
- **“Board Committee”** or **“Committee”** – a standing or ad-hoc committee established by the Board, composed primarily of Board members, and delegated specific oversight responsibilities under a Board-approved Charter, which include the AC, EC, IC, NRC, RMC
- **“Board of Directors”** or **“Board”** or **“Board Members”** – the collective body of the board members of Bupa Arabia for Cooperative Insurance Company.
- **“Bupa Arabia”** or **“the Company”** – Bupa Arabia for Cooperative Insurance Company.
- **“CBDO”** – Chief Business Development Officer – member of the Chief Executive Team (CET) and highest-ranking business development role in the Company.
- **“CCG”** – Code of Corporate Governance.

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- **“CEO”** - Chief Executive Officer – the Company officer with the highest rank in the Executive Management of the Company, who oversees, its daily management, regardless of the title of his/her position.
- **“CET”** or **“Chief Executive Team”** or **“Executive Management”** – collectively comprising the CBDO, CEO, CFO, CHRO, COO, CGRCO, CGO, CIO, and the CISO.
- **“CFO”** – Chief Financial Officer (CFO) – member of the CET and highest-ranking financial role in the Company.
- **“CG”** – Corporate Governance.
- **“CGF”** – Corporate Governance Framework.
- **“CGO”** – Chief Growth Officer (CGO) – member of the CET and highest-ranking growth role in the Company.
- **“CGRCO”** – Chief Governance, Risk and Control Officer (CGRCO) – member of the CET and highest-ranking risk role in the Company.
- **“Charter”** or **“Terms of Reference”** or **“ToR”** – the written document, approved by the Board or shareholders, that sets out the mandate, authority, composition, responsibilities and operating procedures of the Board or any of its Committees.
- **“CHI”** – Council of Health Insurance, regulator of health insurance in Saudi Arabia.
- **“CHRO”** – Chief Human Resources Officer (CHRO) – member of the CET and highest-ranking human resources role in the Company.
- **[“CIO”** – Chief Information Officer.]
- **[“CISO”** – Chief Information Security Officer.]
- **“CMA”** – Capital Market Authority, regulator of listed institutions in Saudi Stock Market.
- **“CMT”** – Crisis Management Team.
- **“Co. Sec.”** or **“Company Board Secretary”** – the officer (and supporting secretariat function) appointed by the Board to coordinate Board and Committee meetings, maintain corporate records and minutes, manage shareholder-meeting logistics and disclosures, and advise the Board on governance and regulatory requirements. The Company Board Secretary shall not be the secretary of the AC.
- **“COD”** – Compliance Department.
- **“Committee Chairman”** – the Board Committee member who has been recommended by the Board to be its chairman and whose appointment as Board Committee chairman has thereafter been

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approved by the Regulators, where applicable. The Board Committee chairman is approved by the Board to preside over the relevant Board Committee meetings and to organize its activities.

- **“Companies Law”** – The Companies Law issued by Royal Decree No. (M/132) dated 1/12/1443 AH.
- **“COO”** – Chief Operations Officer (COO) – member of the CET and highest-ranking operations role in the Company.
- **“Corporate Governance Department”** – the department that oversees and coordinates the Company’s corporate governance matters.
- **“CSTRD”** – Cyber Security and Technology Risk Department.
- **“DCS”** – Director – Company Secretariat.
- **“Department Leader”, “Function leader”** – the most senior resource leading the department, or function, regardless of the grade of the position.
- **“DoA”** – Delegation of Authority Matrix.
- **“EC”** – Executive Committee.
- **“Executive Director” or “Executive Board Member”** – a member of the Board who is also a member of the Executive Management of the Company, dedicates his/her activity on a full-time basis to the Company, participates in the day-to-day management of the affairs of the Company, and receives a monthly or annual salary in return thereof from the Company.
- **“External Auditor(s)”** – the independent audit firm(s) appointed by the shareholders’ General Assembly to examine the Company’s financial statements, express an opinion on their fairness and compliance with IFRS and Saudi regulations, and report directly to the AC and shareholders.
- **“GA” or “General Assembly”** – a meeting of the public shareholders with the Company, which can be an Ordinary (OGM) or Extraordinary (EGM) General Assembly Meeting and first requires regulatory approval and the fulfillment of the various regulatory requirements and regulatory approvals in advance of the GA invitation approval and Tadawul invitation announcement.
- **“IA”** – Insurance Authority, the authorized regulator of insurance industry in Saudi Arabia.
- **“IAD”** – Internal Audit Department.
- **“IC”** – Investment Committee.
- **“IFS”** – Interim Condensed Financial Statements, as in quarterly and as announced by the Company on the stock exchange market after each quarterly reporting period, after External Auditors’, AC, Board and regulatory approvals.

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- **“Independent Director” or “Independent Board Member”** – a member of the Board who is considered independent as defined by the relevant legislation, regulations and the Best Practices as determined by the Board, and/or the Nomination and Remuneration Committee (NRC), based on the criteria the Board may consider as appropriate or relevant. This means that the member is fully independent from management and the Company. Independence is the ability to judge things after taking into account all relevant information without undue influence from management or from other external entities. Independence cannot be attained by a Board member in the following situations, which include but are not limited to:
 - A. if he/she holds five percent or more of the shares of the Company or any other company within its group; or is a relative of who owns such percentage.
 - B. if he/she is, or a relative of, any member of the Board of the Company, or any other company within the Company’s group.
 - C. if he/she is a relative of any Senior Executive of the Company, or of any other company within the Company’s group.
 - D. if he/she is a Board member of any company within the group of the Company for which he/she is nominated to be a Board member.
 - E. if he/she is an employee or used to be an employee, during the preceding two years, of the Company or a company within its group, or if he/she held a controlling interest in the Company or any party dealing with the Company or any company within its group, such as external auditors or main suppliers during the preceding two years.
 - F. if he/she has a direct or indirect interest in the businesses and contracts executed for the Company’s account.
 - G. if the member of the Board receives financial consideration from the Company in addition to the remuneration for his/her membership of the Board or any of its committees exceeding an amount of (SAR 200,000) or 50% of his/her remuneration of the last year for the membership of the board or any of its committees, whichever is less.
 - H. if he/she engages in a business where he competes with the Company, or conducting businesses in any of the company's activities.
 - I. if he/she served for more than nine years, consecutive or inconsecutive, as a Board member of the Company.
- **“KPIs”** – the Company’s Key Performance Indicators, as determined by the Board.

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- **“KRIs”** – the Company’s Key Risk Indicators, as determined by the Board.
- **“MC”** – Ministry of Commerce, the Ministry for Companies in Saudi Arabia.
- **“MISA”** – Ministry of Investment of Saudi Arabia, which is responsible for developing the investment environment in the Kingdom of Saudi Arabia.
- **“Non-Executive Director” or “Non-Executive Board Member”** – a member of the Board who does not dedicate his/her activity on a full-time basis to the Company, is not involved in any way in the day-to-day management of the Company, and does not receive a monthly or annual salary from the Company.
- **“NRC”** - Nomination & Remuneration Committee.
- **“NRC Chairman”** – the chairman of the NRC.
- **“Regulation(s)”** – The prevailing relevant regulations in the Kingdom of Saudi Arabia.
- **“Regulators”** – CMA, CHI, MC, MISA, NDMO, and IA.
- **“Related Company”** – a company (or one of several companies that Regulators may consider to be acting in concert) holding a shareholding of 5% or more of the equity of the Company, or a company in which the Company (either alone or with other companies that Regulators may consider to be acting in concert) holds a shareholding of 5% or more.
- **“RMC”** – Risk Management Committee.
- **“RMD”** – Risk Management Department.
- **“Saudi” or “Saudi Arabia”** – means the Kingdom of Saudi Arabia.
- **“Secretary”** – with respect to (i) the AC, the officer (and supporting secretariat function) appointed by the AC to administer its meetings in accordance with the AC Charter; provided that the secretary of the AC shall not be the Company Board Secretary or the secretary of any other Committee, and (ii) the other Committees, the officer (and supporting secretariat function) appointed by the Board to administer each such Committee’s meetings in accordance with their respective Charters.
- **“Senior Positions”** – members of the Board, Board Committees, Executive Management, Company Board Secretary, leadership of the risk function, including the legal affairs, corporate governance and risk management functions, as well as the two independent functions: the Internal Audit Department, and the Compliance Department.

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- **“Significant Shareholders”** – natural or legal persons that, directly or indirectly, alone or in association, controls 5% or more of the Company’s shareholding.
- **“Stakeholders”** – persons or parties who have an interest in the Company, including shareholders, policyholders, claimants, employees, reinsurers, regulatory and supervisory bodies.
- **“Vice-Chairman”** – a Non-Executive Board Member elected by the Board to, in the absence of the Chairman, preside over the Board meetings and organize its activities.

4. Board of Directors’ Responsibilities

Overview and Framework

The Board of Directors, guided by the Board Charter, and the DoA, represents a robust governance structure. The Board members, parallel to the Committee members, the CEO, the Executive Management, and the Company Board Secretary, are distinguished by their independence, objectivity, emotional intelligence, discretion, truthfulness, loyalty, diligence, confidentiality, integrity, commercial acumen, self-motivation, and hard work.

Code of Corporate Governance Clarification:

This CCG delineates the principal roles and responsibilities in accordance with best practice standards and the various laws and regulations of Saudi Arabia. It ensures that all required responsibilities across different roles are explicitly included within this CCG, aligning with diverse regulatory requirements.

Board's Mandate and Accountability

The Board acts as a fiduciary representing all shareholders and is committed to managing the Company’s affairs with due care and loyalty. It strives to maximize the Company’s value and safeguard its interests through prudent management of the Company’s assets, policies, and operations, always aiming to enhance stakeholder value.

The primary mission of the Board is to set strategic directions, oversee financial performance, and ensure compliance with legal and ethical standards prescribed by the laws of the Kingdom of Saudi Arabia. The Board ensures the Company upholds its values, mission, and long-term vision, providing strategic oversight and promoting exemplary governance and ethical standards.

Responsibilities and Delegation

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The Board operates on a fully informed basis, exercising due diligence and care, always acting in the best interests of the Company and its shareholders. It maintains high ethical standards and ensures fair treatment of all shareholders, considering the diverse impacts of its decisions.

Operational effectiveness is enhanced by delegating specific authorities to Board Committees and Executive Management, yet the Board retains overall accountability for the Company’s operations. This structure is detailed in the Board DoA, governed by the, which outlines the delegation process across the organization.

Additional Governance Documents

The Board Charter (Appendix A), provides comprehensive details on the roles, responsibilities, and processes concerning the Board and its Committees.

Leadership Roles: The Chairman, and Vice-Chairman, of the Board

The primary role and responsibility of the Chairman of the Board is to effectively lead, coordinate, and manage the Board's activities. This leadership ensures that the Board operates efficiently, fulfills its legal and regulatory obligations, and adheres to the Company's By-Laws and applicable laws and regulations without any constraints in discharging these duties. The Chairman also ensures this leadership does not interfere unduly with the operational activities of the Company.

Key duties of the Chairman include, but are not limited to:

- Information and Discussion Facilitation: Ensuring the Board receives comprehensive, clear, accurate, and truthful information. The Chairman also guarantees that all critical issues are discussed adequately and timely.
- Board Meetings Organization: Organizing the Board's activities, including setting agendas for Board meetings in consultation with the Company Board Secretary, the CEO, and other Board members, and engaging with External Auditors as necessary.
- Meeting Leadership: Presiding over Board meetings and overseeing the information and reports provided to the Board
- Stakeholder Communication: Facilitating communication channels with shareholders and conveying their opinions to the Board.

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- **Board Performance Encouragement:** Encouraging Board members to fulfill their duties effectively for the Company's best interests and promoting a culture of constructive criticism and engagement among all Board members.
- **Representational Duties:** Representing the Company in interactions with third parties, including judicial and regulatory bodies, and overseeing relationships between the Board and its internal and external parties.
- **Governance and Compliance:** Advocating for higher standards of corporate governance and ensuring continual compliance with relevant laws and regulations.

The Vice-Chairman's role mirrors that of the Chairman but is exercised in the absence of the Chairman. It is imperative that the roles of the Chairman and Vice-Chairman remain distinct and separate from any executive positions within the Company, ensuring their duties do not overlap with those of the CEO.

The Chief Executive Officer (CEO)

The CEO is tasked with the overall management of the Company's day-to-day operations, guided by the Board's strategic vision, mission, culture, values, and targets. Key responsibilities include, but are not limited to:

- **Strategic Implementation:** Executing business operations in accordance with the Board-approved strategic framework and leading significant negotiations and agreements.
- **Public Relations:** Acting as the primary liaison with regulators, media, investors, and other key stakeholders to promote the Company's image and objectives.
- **Operational Coordination:** Coordinating the formulation of objectives across various functions and ensuring operational effectiveness and compliance with governance standards.
- **Risk and Control Management:** Overseeing internal control systems and risk management frameworks and ensuring the adequacy of compliance and internal audit functions.
- **Leadership and Development:** Administering key executive roles, performing periodic performance evaluations, and ensuring robust succession planning and leadership development.

The Members of the Board

Board members play a pivotal role in governance and strategic oversight. Their responsibilities extend across several key areas to ensure the Company operates efficiently and ethically while pursuing its strategic objectives, which include, but are not limited to, the following:

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- **Strategic Oversight:** Board members provide critical insights and guidance on the Company's strategic direction. They review and challenge management's proposals and plans, ensuring they are robust and align with the Company's long-term goals.
- **Governance and Compliance:** Board members ensure that the Company adheres to all regulatory requirements and ethical standards. They advocate for transparency and accountability in all Company processes and decisions.
- **Risk Management:** Board members oversee the Company's risk management framework, ensuring that risks are appropriately identified, assessed, and managed. They ensure that the risk management strategy is integrated with the Company's overall strategic plan.
- **Performance Evaluation:** The Board regularly evaluates the Company's performance against set targets and strategic objectives, which include analyzing financial reports, operational results, and market performance.
- **Stakeholder Communication:** Board members ensure effective communication with all stakeholders, including shareholders, employees, and other key partners. They facilitate dialogue to gather insights and feedback that inform strategic decisions.
- **Ethical Leadership:** Board members are expected to exhibit and promote the highest levels of integrity, fairness, and ethical behavior within the Company. They serve as role models, setting the tone for corporate culture and ethical standards.
- **Access and Advisory Support:** Board members have full access to the Company's management and advisory services, enabling them to make informed decisions. This includes interacting with the Company Board Secretary and Corporate Governance Department to ensure all Board procedures comply with applicable rules and regulations.

The Independent Board Members

Independent Board Members are central to sound governance and effective strategic supervision. The Independent Board Members act with full objectivity, ensuring that the Company operates ethically and efficiently.

In addition to the general responsibilities outlined in the Board Charter (Appendix A), Independent Board Members have specific duties that include:

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- **Protecting Minority Shareholders:** They conduct sound, independent analysis and make decisions on matters involving conflicts of interest or related party transactions. This includes independent voting on such matters as required by regulations and the Company’s policies.
- **Strategic Oversight:** Independent Board Members voice their opinions on strategic issues, Company policies, and performance. They are also involved in the accountability of the Company's functions and its representatives, including the appointment of Executive Management. For those serving as AC Chairman, this extends to the appointment and management of the Internal Audit Department (IAD) and Compliance Department (COD).
- **Conflict of Interest:** They ensure that the interests of the Company, along with all its shareholders and stakeholders (including employees and regulators), are prioritized in situations involving conflicts of interest.
- **Committee Participation:** They actively participate in Board Committees, especially the Audit Committee and the Nomination & Remuneration Committee, as mandated by law and corporate regulations.
- **Corporate Governance and Internal Controls:** They oversee the development and monitoring of the Company’s corporate governance processes and internal control systems, ensuring effective implementation and adherence by management.
- **Advisory Role:** They perform advisory functions as designated by the Board or as required by law, aiding the Board in its decision-making and thereby enhancing the Company’s governance.

The Company Board Secretary

The Company Board Secretary function is pivotal in coordinating and ensuring adherence to the Co. Sec. related policies, procedures, and processes, thereby maintaining best practice standards for the Board and its Committees in compliance with all relevant laws and regulations.

The Company Board Secretary must:

- A. Possess robust knowledge of the Company's business and operational activities, strong communication skills, and experience at a senior level in publicly listed companies, well-versed in the applicable laws, regulations, and best practices in corporate governance.
- B. As appointed by the Board, the Company Board Secretary can be a Board member or staff, reporting to the Board on Co. Sec. matters. The Company Board Secretary is authorized to provide certified extracts from Board meeting minutes and Board approvals.

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- C. he/she holds a bachelor degree in law, finance, accounting or administration or their equivalent, and has relevant practical experience of not less than three years
- D. he/she has relevant practical experience of not less than five years

The Company Board Secretary’s responsibilities include, but are not limited to:

- Information Management: Implementing processes for effective communication of management information to and from the Board and its Committees.
- Efficiency in Relationships: Maintaining efficient and effective working relationships within all levels of the Company and key external parties.
- Documentation and Compliance: Managing the preparation and review process of the Annual Board Report (ABR) and coordinating the Company’s Annual Report & Accounts (ARA), ensuring compliance with all regulatory requirements.
- Board Support: Providing advisory and administrative support to Board members and Committee members, including managing the development and implementation of Board member induction and training programs.
- Administrative Oversight: Coordinating, organizing, and attending Board meetings, ensuring adherence to proper procedures, and maintaining formal documentation such as Board resolutions and meeting minutes.

5. Responsibilities of the Audit Committee (AC)

The Audit Committee (AC) plays a crucial role in overseeing the Company's financial integrity and regulatory compliance. Detailed descriptions of the AC’s membership, roles, responsibilities, authority, activities, relationships, and operational processes are outlined in the AC Charter (Appendix B).

Membership and Appointment:

- Composition: The Board forms the AC by resolution and the Ordinary General Assembly approves its Charter and membership terms.
- Independence and Expertise: At least one member must be an Independent Director, ensuring no Executive Directors are included in the AC, and at least one of its members is specialized in finance and accounting.

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6. Responsibilities of the Other Board Committees

To aid in fulfilling its oversight responsibilities, the Board delegates specific authorities to various Board Committees, which enhances the efficiency of decision-making processes and the robustness of internal controls and authorization protocols.

Framework and Delegation:

Board Delegated Authorities Framework (DAF): This framework outlines the delegation of Board authorities to Board Committees and the CEO, subject to regulatory and public shareholder approval as necessary.

Board Committees:

1. Audit Committee (AC) – Appendix B
2. Executive Committee (EC) – Appendix C
3. Investment Committee (IC) – Appendix D
4. Nomination & Remuneration Committee (NRC) – Appendix E
5. Risk Management Committee (RMC) – Appendix F

7. Responsibilities of the Management

Management is primarily responsible for the operational execution and strategic direction of the Company, ensuring the efficient use of resources to achieve corporate objectives. The management must operate under the governance framework established by the Board and is accountable for its performance.

Key Responsibilities:

- Operational and Strategic Execution: Implement and manage the Company’s strategic plans, policies, and internal controls.
- Compliance and Reporting: Ensure compliance with legal and regulatory requirements and manage communication of material information to shareholders and stakeholders.
- Financial Management: Develop and manage the Company’s financial strategies and report periodically on the progress.

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- Risk Management: Implement and oversee the Company’s risk management and internal control frameworks.
- Human Resources and Culture: Develop organizational structures and foster a culture of ethical values and performance-based rewards.
- Governance Support: Provide necessary information and support to the Board to facilitate effective governance.
- Succession Planning: Manage succession planning and talent retention initiatives to ensure leadership continuity.

Management’s responsibilities are critical in maintaining the alignment of operational activities with the strategic objectives set by the Board, ensuring the Company operates within the highest standards of corporate governance and ethical conduct.

8. Responsibilities of the Control Functions

To ensure robust corporate governance, internal control, and risk management practices, and to comply with the relevant regulatory requirements for insurance companies, the Company has established the following detailed control functions. These functions are essential for adhering to regulatory and supervisory requirements, and their principal roles, duties, and responsibilities include, but are not limited to:

1. Risk Management Department (RMD)

Role and Structure:

- The RMD is tasked with overseeing the entire risk management process at the Company, coordinating the development of the risk management policy and frameworks.
- It reports directly to the Chief Governance, Risk, and Control Officer and is authorized by the Risk Management Committee (RMC). The department includes divisions such as Enterprise Risk Management, Operational Risk Management, Risk Governance, Management of Insurable Risks, and Risk Analytics.

Key Responsibilities:

- Develop and maintain the Company's risk management framework, policies, and strategies.

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- Lead the implementation of the Enterprise Risk Management (ERM) Framework.
- Maintain and update the risk database/register through various means including risk assessment workshops and executive meetings.
- Facilitate the development of the Company's Operational Risk profile and risk mitigation strategies, monitoring their progress.
- Ensure the overall risk exposure of the Company remains within the accepted risk tolerance levels.
- Develop mechanisms to consolidate and escalate reported risks across different Business Units.
- Act as a primary contact for inquiries related to the Framework and its processes.
- Promote a risk-aware culture through continuous education and communication efforts.
- Liaise with the Internal Audit Department for internal controls evaluation and Risk-Based Audit Planning.
- Review and analyse the Company's risk portfolio to identify and address key risk areas.
- Oversee the effectiveness of business continuity management and the resilience of the Company to disruptions.
- Oversee the alignment of Cyber Security measures with the Company's risk management strategy and provide assurance that privacy regulations and compliance requirements are met effectively.
- Provides strategic direction and oversight to safeguard the organization's digital assets and sensitive information.
- Oversee and lead the health and safety, promoting a 'zero harm' culture.
- Manage the Company's insurance programs and maintain relationships with external service providers, including insurers and brokers.

2. Legal Affairs Department

Role and Structure:

- The Legal Affairs Department handles all legal risks associated with the Company's operations.
- It reports to the Chief Governance, Risk, and Control Officer (CGRCO) on legal matters, ensuring compliance with laws and regulations.

Key Responsibilities:

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Bupa Arabia Code of Corporate Governance, Version: 5

Document Owner: **Director – Corporate Governance**

Board of Directors Approval Date: **TBD**

General Assembly Meeting Approval Date: **TBD**

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- Manage legal risks for strategic initiatives, investments, and new ventures, including contingency planning around legal risks.
- Provide legal advice across all levels of the Company and secure external legal advice when necessary.
- Standardize contracts and negotiate significant agreements to protect the Company's interests.
- Manage litigation and legal proceedings, represent the Company in judicial settings, and coordinate the defence of the Company's rights and interests.
- Provide advisory services on legal matters, monitor legislative changes affecting the Company, and provide oversight on strategic projects such as mergers, acquisitions, and joint ventures.

3. Corporate Governance Department

The Corporate Governance Department is tasked with overseeing all corporate governance activities at Bupa Arabia. This includes coordinating the development, implementation, and ongoing adherence to corporate governance structures, frameworks, codes, policies, and procedures that align with best practice standards. The department ensures compliance with all relevant laws, regulations, and best practices pertaining to corporate governance.

The Corporate Governance Department reports to the Chief Governance, Risk, and Control Officer (CGRCO) regarding corporate governance matters. It plays a crucial role in ensuring the Company's compliance with relevant laws and regulations.

Key Responsibilities:

Regulatory Management and Communications:

- Serve as the lead function in managing regulatory relations and requirements with the Capital Market Authority (CMA) and Tadawul, as authorized by the Board.
- Manage and maintain transparent and constructive relationships with regulators including CMA, Tadawul, MC, and MISA, facilitating regulatory approvals and compliance.

Governance Documentation and Compliance:

- Authorize all Tadawul announcements, ensuring content complies with guidelines and obtaining Board approval for materially significant announcements.

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- Coordinate the preparation and authorization of the Annual Report & Accounts (ARA) and ensure the corporate governance sections meet regulatory requirements.
- Maintain and periodically review the Company By-Laws and conduct gap analyses against relevant laws and governance regulations.
- Develop and maintain the DoA, which outline the authorities delegated at each management level.

Meeting Coordination and Reporting:

- Coordinate General Assembly (GA) meetings, including preparing agendas and materials in coordination with the Board and shareholders.
- Manage the completion of regulatory processes for the appointment of Board and Board Committee members, including the IA Fit and Proper (F&P) Forms process.
- Annually review the Annual Board Report (ABR) to ensure compliance with CG disclosure obligations and regulatory requirements.

Policy Development and Implementation:

- Lead the development and recommend Board approval of corporate governance related policies within the Corporate Governance Framework (CGF), including this Code of Corporate Governance (CCG).
- Monitor and ensure adherence to CG regulations of the CMA, IA, and other applicable regulations, recommending improvements to the Company’s frameworks and standards.

Stakeholder Engagement and Communication:

- Act as a custodian of the CGF, CCG, and all CG policies and procedures.
- Appoint a responsible person for managing investor relations tasks to ensure effective and fair communication between the Company and shareholders.

Regulatory Monitoring and Advisory:

- Monitor regulators’ circulars and upcoming regulations on corporate governance, providing evaluation and feedback to regulators as required.

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- Lead the management and coordination of all regulatory requirements for GA meetings, including securing CMA regulatory approvals and managing shareholder database interactions for GA voting.

4. Cyber Security & Technology Risk Department (CSTRD)

The Cyber Security & Technology Risk Department (CSTRD) operates as a vital second line of defense, offering business support, oversight, and recommendations concerning the Company’s cyber security, business continuity, and data management, privacy and data protection. The CSTRD ensures compliance with global best practices and adheres to all relevant Saudi regulations. With a focus on cyber security governance, which involves policy development and framework establishment, cyber security risk management, including risk assessment and mitigation strategies. The CSTRD also runs the Company’s Security Operations Center (SOC), which involves proactive monitoring, incident response and threat intelligence activities for timely threat assessment and response readiness.

Key Responsibilities:

Business Continuity Planning and Disaster Recovery:

- Provides assessment and monitoring services for Business Continuity Planning (BCP) and Disaster Recovery (DR), including conducting annual evaluations.
- Takes a leadership role in managing Crisis Management events to ensure effective response strategies and minimal disruption.
- Oversee data quality assurance and manage the privacy and security of Company information assets.

Audit and Assessment Coordination:

- Leads and coordinates BCP, DR, and information technology audits/assessments, both internally and with external third parties, to ensure compliance and readiness.

Cyber Security Framework Implementation:

- Responsible for the deployment of the Company’s cyber security framework, aligning with the Board-approved roadmap and adhering to the IA cyber security framework and associated regulations. Overseeing the implementation of cyber security program and architecture, and cyber security awareness and culture.

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Cyber security GRC

- Involves developing policies and procedures to guide secure practices, data protection, and incident response within organizations and comply with applicable Saudi regulations.
- Includes conducting risk assessments to identify threats and vulnerabilities, and implementing mitigation plans such as security controls, encryption, and incident response plans to reduce potential risks.

Cyber security Operations:

- Monitor networks, systems, and applications for security threats.
- Detect and respond promptly to incidents, investigate breaches, implement fixes, optimize security tools, collaborate to enforce policies, and provide regular security reports.
- Gather and analyze threat information, and monitor external sources for emerging threats, assess their impact on systems, develop defense recommendations, share intelligence for proactive security, and continuously improve threat analysis processes.
- Performing regular cyber security assurance and validation activities on regular basis.

Personal Data Protection Law Implementation:

- Ensure that the organization processes the personal data of its staff, beneficiaries, providers or any other individuals (also referred to as data subjects) in compliance with the applicable data privacy regulations.

Data Management Standard Implementation:

- Overseeing and managing organization's data-related strategies, policies, and initiatives in compliance with the National Data Management Standards.

Policy Management:

- Oversees the development and implementation of key Enterprise Policies and associated procedures, including:
 - Business Continuity Management
 - Critical Incident Management

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- Information Security
- Data Quality
- Quality

Reporting and Communication:

- Provides detailed reports on assessments and departmental activities to the Board, Audit Committee (AC), and Risk Management Committee (RMC), as required.
- Engages with external parties, including clients and regulators, in areas of subject matter expertise, ensuring transparent and effective communication.

9. Responsibilities of the Independent Functions

1. Compliance Department (COD)

The Compliance Department is tasked with ensuring the Company's adherence to all relevant laws, regulations, and rules as stipulated by the IA and other regulatory bodies. The Compliance Department operates under the direct oversight of the Audit Committee (AC), which also authorizes its structure, roles, and responsibilities.

Structure:

The Compliance Department comprises of four key units:

- Regulatory Compliance
- Compliance Monitoring
- Anti-Financial Crimes
- Speak-Up

Key Responsibilities:

Regulatory Engagement:

- Interact directly with the Company's regulators to ensure compliance with regulations and uphold the Company's integrity.
- Secure all necessary regulatory approvals from IA.

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- Promptly inform IA of any approvals required by the Board, Board Committees, or other regulatory entities.

Compliance Management:

- Develop and manage protocols for communication with regulators, maintaining thorough records of all interactions and ensuring timely responses.
- Strengthen measures to prevent and detect money laundering and terrorism financing through detailed investigations, analysis, and staff training.
- Conduct rigorous inspections of various business units to ensure regulatory compliance, involving interviews and document reviews.

Training and Development:

- Provide and facilitate regulatory training sessions to ensure all staff are well-informed of their roles and responsibilities regarding compliance.

Customer and Incident Management:

- Assist in managing customer complaints to reduce their frequency.
- Ensure significant regulatory incidents are reported.

Reporting and Reviewing:

- Report significant compliance risks and control issues to the Board, Audit Committee, and Executive/Senior Management.

2. Internal Audit Department (IAD)

The Internal Audit Department serves as an independent entity within the Company, providing objective reassurance, advisory services, and consulting, aimed at improving the Company’s operations.

As a third line of defense, the IAD supports the Company's mission of ensuring longer, healthier, happier lives by enhancing the effectiveness of risk management, control, and governance processes.

The IAD reports directly to the Audit Committee, and its structure, roles, and responsibilities are also authorized by the AC.

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Key Responsibilities:

Audit Reporting:

- Submit quarterly and annual reports to the Board and the Audit Committee, assessing the internal control systems and providing recommendations.
- Explain deviations from the planned activities in the annual report and present them during the first quarter following the fiscal year-end.

Operational Excellence:

- Ensure that audit activities align with the IAD’s purpose and responsibilities, utilizing resources efficiently and adhering to the standard for the Professional Practice of Internal Auditing.
- Evaluate the adequacy and effectiveness of the Company’s governance, risk management, and internal control processes.

Monitoring and Evaluation:

- Monitor the internal control system and verify compliance with applicable laws, regulations, and Company policies.
- Evaluate other functions and third-party services to maximize coverage and avoid duplication of efforts.

Consulting Services:

- Provide consulting and advisory services related to governance, risk management, and control as required.
- Evaluate specific operations upon request from the Board, Audit Committee, or management.

Risk and Control Reporting:

- Report significant risk exposures resulting from control failures to the Board, Audit Committee, and Executive/Senior Management.

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External Auditor Coordination:

- Assist the Audit Committee in evaluating the performance and coordination of External Auditors with the IAD.

10. Roles & Responsibilities of the Actuarial Function & the Appointed Actuary

The actuarial function encompasses a comprehensive range of responsibilities as outlined in the IA actuarial work rules and regulations, divided into three main areas:

Reserving & Forecasting

- Reserving: Key focus on maintaining accurate reserve levels to meet future claims and obligations.
- Forecasting & Reserving: In-depth analysis and forecasting including trends, inflation, price increases, contributions, and top providers.

Actuarial Reporting

- Comprehensive reporting covering various aspects such as Risk Management, IFRS 17, Solvency & Capital, Reinsurance, Asset-Liability Management (ALM), and Experience Studies.

Pricing & Data Analytics

- Annual Medical Pricing: Setting annual pricing strategies based on comprehensive data analysis.
- Quarterly Medical Pricing Adequacy: Reviewing and adjusting medical pricing to ensure it remains adequate and competitive.
- Predictive Modeling: Employing advanced models to predict future trends and their impact on the business.

Product Development

- Product Performance Monitoring: Ongoing analysis of product performance against market expectations.
- New Product Development Analysis: Analytical support for the development of new products.

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- Liaison with Pricing, Marketing, and Sales: Collaborative efforts to ensure cohesive product development strategies.

Per the actuarial rules set forth by IA on March 1st, 2020, the Board of Directors and Senior Management are mandated to equip the actuarial function with adequate resources, reflecting the Company’s scale and complexity. This includes sufficient human resources, technology access, and opportunities for training and professional development.

Additional Roles & Responsibilities of the Appointed Actuary:

- Regulatory Reporting: Delivering periodic regulatory or supervisory reports and templates as required by IA.
- Access to Information: Full access to Board papers, accounting books, and essential documents for duty performance, with adequate controls to ensure confidentiality.
- Engagement with Leadership: Effective communication with the Board of Directors and Senior Management about the findings of actuarial reports.
- Record-Keeping: Maintaining detailed records in line with professional standards of the Actuarial Association, ensuring these are kept within the Company for a minimum of ten years post-reporting, accessible only to authorized personnel and regulatory bodies.

11. Disclosure & Transparency

The Company is committed to the highest standards of disclosure and transparency, ensuring timely and equitable information sharing to all stakeholders, in full compliance with applicable laws and regulations. The Company’s commitment to disclosure and transparency is demonstrated through:

- Regulatory and Best Practice Monitoring: The Corporate Governance Department monitors and implements best practices in disclosure and financial reporting. The Company Board Secretary updates the Board on these practices, recommending enhancements routinely.
- Comprehensive Information Provision: The Company pledges to provide meaningful information to its shareholders, regulators, employees, and the public, maintaining transparency in all communications.

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- **Responsibility for Financial Statements:** The Board assumes full responsibility for the accuracy and completeness of its Annual and Interim Financial Statements and reports, adhering strictly to IFRS and local amendments.
- **Transparent Nomination and Appointment Processes:** Ensuring transparent procedures for Board appointments, following cumulative voting as required by regulations.
- **Equal Access to Information:** Provision of financial and non-financial information to all shareholders and stakeholders without discrimination.
- **Clarity and Timeliness:** Disclosure practices characterized by clarity, accuracy, and timeliness, in both English and Arabic.
- **Comprehensive Website Information:** Maintaining a bilingual Company website with extensive and up-to-date information including governance documents, financial statements, and stock exchange announcements.
- **Interactive Financial Presentations:** Conducting detailed, interactive quarterly financial results presentations for shareholders and analysts following stock exchange updates.

12. Treatment of Shareholders and Protection of Minority Shareholder Rights

The Company ensures fair and equitable treatment of all shareholders, including minority interests, through rigorous corporate governance and internal control mechanisms demonstrated through:

- **Protection of Shareholder Rights:** The Company is committed to protecting the rights of all shareholders and ensuring non-discriminatory access to information.
- **Clear Internal Policies:** Definition and implementation of internal policies to ensure all shareholders can exercise their rights effectively.
- **Engagement and Participation in GA Meetings:** Encouraging active shareholder participation in General Assembly meetings, with provisions for proxy voting and direct interactions with the Board.
- **Transparency in Operations and Transactions:** Clear disclosure of conflicts of interests and related party transactions, with appropriate Board and committee oversight.

The Company’s commitment extends to maintaining rigorous standards of disclosure, ensuring all shareholders are well informed and can actively participate in the Company’s governance.

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13. Shareholders' General Assembly

A. Competencies of the Ordinary General Assembly

The Ordinary General Assembly is convened under conditions prescribed by the Companies Law, its implementing regulations, and the Company's By-Laws.

- Annual Meetings: The Ordinary General Assembly must meet at least once within six months following the end of the Company's financial year.
- Special Conditions for Convening: The Board must issue invitations for the General and Special Shareholders' Assemblies in accordance with the stipulations of the Companies Law and the Company's By-Laws. This includes convening the Ordinary General Assembly within 30 days upon the request of the External Auditor, the Audit Committee, or shareholders holding at least 10% of the Company's voting shares. If the Board fails to call the assembly within this period, the External Auditor may directly convene the meeting.
- Notice of Meeting: The date, place, and agenda of the General Assembly must be announced at least 21 days in advance, with notifications posted on the Exchange. Additionally, the Company may utilize contemporary technology to invite shareholders to these assemblies.
- Shareholder Participation: Shareholders are encouraged to actively participate and vote in the General Assembly meetings, which may be conducted using modern technological methods. The Board is tasked with facilitating extensive shareholder engagement by selecting suitable times and locations for these meetings.

The Ordinary General Assembly holds authority over all Company affairs, excluding those reserved for the Extraordinary General Assembly, with key responsibilities including, but not limited to:

1. Electing and removing Board members.
2. Permitting a Board member to have direct or indirect interest in the business and contracts that are executed for the Company's account, in compliance with the provisions of the Companies Law and its implementing regulations.
3. Permitting a Board member to take part in any activities that may lead to competition with the Company, or competition in any of its activities, in compliance with the provisions of the Companies Law and its implementing regulations.
4. Monitoring the compliance of the Board members with the provisions of the Companies Law and its implementing regulations and other relevant laws and the Company's By-Laws; inspecting any

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damage that may occur as a result of their violation of such provisions or mismanagement of the affairs of the Company; determine the liability resulting therefrom and undertaking the procedures it deems proper in this regard pursuant to the Companies Law and its implementing regulations.

5. Review and discuss the Company's financial statement.
6. Review and discuss the Board report.
7. Deciding on the proposals of the Board with respect to the method of distributing the net profits;
8. Appointing one or more External Auditors of the Company, specifying their fees, reappointing them, dismissing them, discussing their report and making a decision in its regard.
9. Looking into the violations and errors committed by the External Auditors of the Company when performing their duties and any difficulties, reported by the Company's External Auditors, regarding their empowerment by the Company's Board or management to review the books, records and other documents, statements and clarifications required to perform their duties, and respond to that as it deems appropriate in this regard.
10. Deciding the use of the Company's reserves, if such has not been set aside for a specific purpose in the Company's By-Laws, provided that using such reserves shall be based on a proposal of the Board and used in ways that benefits the Company or the shareholders.
11. Forming the Company's reserves and determining their uses.
12. Setting aside amounts from the Company's net profits to achieve social purposes for the benefit of the Company's employees in accordance with Article (123) of the Companies Law.
13. Approving the sale of more than (50%) of the assets of the Company, whether in one or several transactions within a period of 12 months from the date of the first transaction. In the event that the sale of such assets falls within the powers of the Extraordinary General Assembly, the approval of the Extraordinary General Assembly will be required.

B. Competencies of the Extraordinary General Assembly

The Extraordinary General Assembly shall have the following competencies:

1. Amending the Company's By-Laws, except for amendments which are deemed null and void pursuant to the provisions of the Companies Law.
2. Increasing the Company's share capital in accordance with the situations provided by the Companies Law and its implementing regulations.

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3. Decreasing the Company’s share capital if it exceeds the Company’s needs or in the event the Company incurs financial losses, in accordance with the situations provided by the Companies Law and its implementing regulations.
4. Deciding the use of the reserve allocated for specific purposes in the Company's By-Laws.
5. Resolving to maintain or liquidate the Company before the end of the term specified in the Company’s By-Laws.
6. Approving the Company's shares buy-back.
7. Issuing preferred shares or redeemable shares or approving their sale or converting a type or class of the Company’s shares into another type or class of shares as per the Company's By-Laws and the implementing regulations of the Companies Law for Listed Joint Stock Companies.
8. Issuing debt instruments or financing deeds convertible into shares and stating the maximum number of shares that may be issued against such instruments or deeds.
9. Allocate shares that are issued upon the capital increase or part of them for the employees of the Company, and its affiliates or some of them, or any of them.
10. Suspending preemptive rights of shareholders in subscribing for the capital increase in exchange for cash or giving priority to non-shareholders in cases as deemed in the interest of the Company; provided that, it is permitted under the Company's By-Laws.

The Extraordinary General Assembly may also pass resolutions within the scope of the Ordinary General Assembly, provided that it is in accordance with the general assembly voting requirements.

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Code of Corporate Governance

Side-by-Side Comparison

Old Version: Version 4 (Board Approval: 20 April 2021, GA Approval: 24 June 2021)

New Version: Version 5 (Board Approval: 16 Dec 2025, GA Approval: TBD)

Topic	Old Code (Version 4)	New Code (Version 5)
1. Approach to Corporate Governance	<p>Bupa Arabia believes in the total commitment to implementing, and adhering to, robust Corporate Governance Standards, in accordance with internationally recognized best corporate governance practice, to ensure it succeeds in fulfilling, across all of the Corporate Governance Framework's components, including the relevant Frameworks, Codes, Board and Board Committees' Charters, the five key elements of Corporate Governance:</p> <ol style="list-style-type: none"> 1.1. Strong Commitment to Corporate Governance; 1.2. Strong Commitment to world class Board Practices; 1.3. Appropriate Control Environments and Processes; 1.4. Strong Regime of Disclosure and Transparency; and 1.5. Protection of all shareholders' rights, including minority shareholders. 	<p>Bupa Arabia is dedicated to adhering to internationally acclaimed best practices in corporate governance. This commitment is crucial for achieving excellence across the three (3) primary corporate governance elements.</p> <p>Key elements of Bupa Arabia's governance approach include streamlining references and avoiding redundancy across various governance documents. These principles are outlined here and are applicable throughout all corporate governance structures, policies, and procedures of the Company.</p>
2. Commitment to Corporate Governance	<p>Bupa Arabia is fully committed, through all levels of the Company hierarchy, including its Board and its Board Committees, to the implementation of world class corporate governance standards and to implementing, and thereafter adhering to, all the Corporate Governance regulations of all Saudi regulators. Bupa Arabia will develop and implement corporate governance structures, frameworks, codes, policies, procedures and standards to support its achievement of best practices and adherence to all the regulations and will maintain these up to date and aligned with all regulatory requirements.</p> <p>Bupa Arabia created a formal Corporate Governance Framework (CGF), of which this Code of Corporate Governance (CCG) constitutes certain elements, in alignment with international best practice, and in adherence to the regulators' Corporate Governance regulations, and the CGF and CCG were first approved by the Board of Bupa Arabia on 12 October 2016, and thereafter by the public shareholders in the General Assembly (GA) meeting, of 20 December 2016. This update, to enhance alignment with new Saudi Arabia regulations, was approved by the Board during November 2017 and thereafter by the public shareholders in the GA meeting on 30 November 2017.</p>	<p>Bupa Arabia is committed to upholding world-class corporate governance standards at all organizational levels, from the Board down to management committees. This commitment encompasses not only the application, but also the ongoing adherence to all corporate governance regulations mandated by Saudi authorities. The Company continuously develops and updates its governance frameworks, codes, policies, procedures, and standards to align with best practices and meet regulatory demands.</p> <p>A formal Corporate Governance Framework (CGF), which includes this Code of Corporate Governance (CCG), was established in alignment with international standards and local regulatory requirements. The CGF and CCG were endorsed by the Board on October 12, 2016, and subsequently approved by public shareholders at the General Assembly on December 20, 2016. Further enhancements to align with new Saudi regulations were approved by the Board in November 2017 and ratified by shareholders on November 30, 2017, ensuring that our governance practices remain robust and effective.</p>

<p>3. Definitions and Acronyms</p>	<p>The old code provides a comprehensive list of definitions and acronyms used throughout the document. Key terms defined include:</p> <ul style="list-style-type: none"> • Various officer roles (CEO, CFO, CRO, COO, CHRO, etc.) • Committees (AC, NRC, IC, EC, RMC) • Regulatory bodies (CMA, SAMA, CCHI, MCI) • Corporate governance concepts • The definition of "Independent Director" includes specific criteria for independence 	<p>The new code updates and expands the list of definitions. New acronyms and roles introduced include:</p> <ul style="list-style-type: none"> • CGRCO (Chief Governance, Risk and Control Officer) • CGO (Chief Growth Officer) • CIO (Chief Information Officer) • CISO (Chief Information Security Officer) • IA (Insurance Authority, replacing SAMA for insurance regulation) • CHI (Council of Health Insurance, replacing CCHI) • MC (Ministry of Commerce) • MISA (Ministry of Investment of Saudi Arabia) <p>The definition of "Independent Director" is updated with more specific and comprehensive criteria aligned with current regulations.</p>
<p>4. Board of Directors Responsibilities</p>	<p>The old code outlines the general responsibilities of the Board, including:</p> <ul style="list-style-type: none"> • Representing all shareholders • Setting strategy and delivering value • Ensuring compliance with regulations • Delegating authority to Board Committees and CEO • Detailed roles of the Chairman, Vice-Chairman, CEO, Board Members, Independent Board Members, and Company Board Secretary • The Board Charter (Appendix A) contains more detailed information 	<p>The new code provides a more structured overview of the Board's responsibilities:</p> <ul style="list-style-type: none"> • Emphasizes the governance framework and the Board's mandate • Highlights accountability and fiduciary duties • Maintains detailed roles of the Chairman, Vice-Chairman, CEO, Board Members, Independent Board Members, and Company Board Secretary • Refines descriptions of duties to align with current best practices • References the Board Charter (Appendix A) and the Delegation of Authority (DoA) framework
<p>5. Responsibilities of the Audit Committee (AC)</p>	<p>The old code states that the detailed responsibilities of the Audit Committee are contained in the Audit Committee Charter (Appendix B).</p>	<p>The new code also refers to the Audit Committee Charter (Appendix B) for detailed responsibilities. It specifically mentions:</p> <ul style="list-style-type: none"> • Composition: The Board forms the AC by resolution • The Ordinary General Assembly approves its Charter and membership terms • At least one member must be an Independent Director • No Executive Directors are included in the AC • At least one member must be specialized in finance and accounting
<p>6. Responsibilities of the Other Board Committees</p>	<p>The old code mentions that the Board delegates some of its authority to its Board Committees to enhance effectiveness. The principal roles and responsibilities of these committees are contained within the document.</p>	<p>The new code lists the other board committees with references to their respective charters:</p> <ul style="list-style-type: none"> • Executive Committee (EC) – Appendix C • Investment Committee (IC) – Appendix D • Nomination & Remuneration Committee (NRC) – Appendix E • Risk Management Committee (RMC) – Appendix F <p>It also references the Board Delegated Authorities Framework (DAF) that outlines the delegation of Board authorities to Board Committees and the CEO.</p>
<p>7. Responsibilities of the Management</p>	<p>The old code describes the responsibilities of management in general terms, focusing on:</p> <ul style="list-style-type: none"> • Implementation of the company's strategy 	<p>The new code provides a more detailed breakdown of management's responsibilities:</p> <ul style="list-style-type: none"> • Operational execution and strategic direction

	<ul style="list-style-type: none"> • Management of day-to-day operations • Ensuring operational effectiveness 	<ul style="list-style-type: none"> • Efficient use of resources to achieve corporate objectives • Operating under the guidance of the Board • More structured approach to management accountability
8. Responsibilities of the Control Functions	<p>The old code outlines the responsibilities of the control functions, which include:</p> <ul style="list-style-type: none"> • Risk Management • Legal • Compliance departments <p>Provides a general overview of their roles in ensuring the company operates within the established risk and compliance frameworks.</p>	<p>The new code provides a more detailed and structured description of the control functions:</p> <ul style="list-style-type: none"> • Risk Management Department (RMD) – with detailed responsibilities • Legal Affairs Department – with expanded role description • Cyber Security & Technology Risk Department (CSTRD) – explicitly listed as a separate control function <p>Each function has more detailed descriptions of their roles and responsibilities.</p>
9. Responsibilities of the Independent Functions	<p>The old code describes the independent functions, primarily focusing on:</p> <ul style="list-style-type: none"> • Compliance Department (COD) • Internal Audit Department (IAD) <p>Highlights their independence and reporting lines to the Audit Committee.</p>	<p>The new code also details the responsibilities of:</p> <ul style="list-style-type: none"> • Compliance Department (COD) • Internal Audit Department (IAD) <p>Provides a clearer structure for their roles, responsibilities, and their reporting relationship with the Audit Committee and the Board.</p>
10. Responsibilities of the Appointed Actuary	<p>The old code specifies the responsibilities of the Appointed Actuary, focusing on:</p> <ul style="list-style-type: none"> • Providing independent advice on the company's financial condition • Ensuring compliance with regulatory requirements related to actuarial matters 	<p>The new code expands on this with a new section title: "Roles & Responsibilities of the Actuarial Function & the Appointed Actuary"</p> <p>This suggests:</p> <ul style="list-style-type: none"> • A more formalized approach to the Actuarial Function as a whole • Comprehensive management of actuarial risks and responsibilities • Distinction between the broader Actuarial Function and the specific role of the Appointed Actuary
11. Disclosure & Transparency	<p>The old code outlines the company's commitment to disclosure and transparency, ensuring that shareholders and stakeholders have access to timely and accurate information.</p>	<p>The new code reiterates the commitment to disclosure and transparency, with:</p> <ul style="list-style-type: none"> • A more structured approach to the types of information to be disclosed • Clear channels for dissemination • Enhanced focus on regulatory compliance
12. Treatment of Shareholders and Protection of Minority Shareholder Rights	<p>The old code emphasizes the protection of all shareholders' rights, including minority shareholders, as a key element of its corporate governance approach.</p>	<p>The new code provides a more detailed section on:</p> <ul style="list-style-type: none"> • Treatment of shareholders • Protection of minority shareholder rights • Specific measures and policies to ensure fair treatment • Enhanced protections and procedures
13. Shareholders' General Assembly	<p>The old code mentions the General Assembly (GA) in the context of shareholder approvals for the corporate governance framework, but does not have a dedicated section for it.</p>	<p>The new code includes a dedicated section (Section 13) on the Shareholders' General Assembly, detailing:</p> <ul style="list-style-type: none"> • Its role in corporate governance • Procedures for conducting the GA • Rights of shareholders in the GA • Requirements for GA meetings and approvals



**Amend the Board and Board Committee
Member Nomination and Appointment
Policy and Procedure Policy:**

- Board and Board Committee Member
Nomination and Appointment Policy and
Procedure Policy before amendments**
- Board and Board Committee Member
Nomination and Appointment Policy and
Procedure Policy after amendments**
- Comparison Table**



Bupa Arabia Policy and Procedure

**Board and Board Committee
Member Nomination and
Appointment Policy and
Procedure**

INTRODUCTION

Purpose

The purpose of the Board and Board Committee Member Nomination and Appointment Policy and Procedure is:

- To ensure that all Bupa Arabia Board, and Board Committee, members are appointed in full adherence to all the regulatory requirements of Saudi Arabia;
- To ensure clarity and transparency to Bupa Arabia's shareholders, and that shareholder approval is obtained, where required and applicable, of the nomination and appointment of the Board, and Board Committee, members;
- To ensure proper succession planning for Board, and Board Committee, member vacancies through maintaining suitable candidates' information/records, with the Company, for the filling of Board, and Board Committee, member vacancies during the term;
- To ensure that a transparent, fair and consistent nomination and appointment approach is applied in the appointment of all Board and Board Committee members;
- To establish clear requirements of qualifications, competencies, leadership attributes criteria and independence during the appointing of members of the Board and/or the Board Committees;
- To ensure the independence of proposed "Independent" Members;
- To ensure the absence of any conflicts of interest if any Board, or Board Committee, member acts as a member of the Board, or Board Committee, of another Company.
- To ensure the absence of any conflicts of interest, or potential related party transactions arising, if any Board, or Board Committee, member owns a part of, or acts as a representative of, another Company, and which Company Bupa Arabia could potentially have a business relationship with.
-

The Board is responsible for approving this policy, after the recommendation of the Nomination & Remuneration Committee (N&RC), subject thereafter to the public shareholders' approval via formal General Assembly (GA) meeting, where required and applicable.

Scope

This policy applies to all candidates (whether executive, non-executive or independent), nominated for membership of the Bupa Arabia Board and/or Bupa Arabia Board Committees, including its future affiliates and subsidiaries that are covered by the same regulatory review bodies. For those entities operating in different jurisdictions, they must develop their own policy in compliance with the requirements imposed by their respective regulators.

Standards and regulations

This policy and procedure shall adhere to the relevant rules and regulations applicable in Saudi Arabia, such as the corporate law issued by the Ministry of Commerce and Investment (MOCI),

Board and Board Committee Member Nomination and Appointment Policy and Procedure

the corporate governance regulations issued by the Capital Market Authority (CMA), the Saudi Arabian Monetary Authority (SAMA) insurance corporate governance rules and regulations, and any other relevant Saudi Arabia regulations. All other entities developing their own policy must ensure that they adhere as a minimum to these requirements.

Responsibility and implementation

The N&RC is responsible for implementing this policy. The N&RC is authorized to recommend this policy and procedure's approval, and any amendments thereto, to the Board and the Board is authorized to approve it, and any amendments thereto, subject to the approval of the public shareholders in the GA meeting. This policy will be shared with regulator(s) as required by the regulations.

Definitions

The definitions, acronyms and abbreviations contained in this policy shall be in accordance with the defined list in the Bupa Arabia Code of Corporate Governance (Definitions and acronyms), and/or as listed in the prevailing Saudi Arabia regulations.

Management of the document and frequency of policy and procedure revision

The N&RC is responsible for the ownership of this policy and its annual review, amendments and updates and, additionally, whenever required, to reflect any regulatory change requirements.

This policy, including any subsequent amendments, shall be reviewed and approved by the Board, based on the N&RC recommendation, and thereafter formally approved by the public shareholders in the GA Meeting. The N&RC shall liaise with the Company Board Secretary, who is responsible for advising the Board, on any significant changes to this policy, and ensuring that the content of this policy and procedure is in accordance with the prevailing regulations.

NOMINATION & APPOINTMENT PROCESS

Identification requirements

The N&RC shall identify the need for appointing Board, and/or Board Committee, member(s) in accordance with the Board term and the respective regulations;

The N&RC shall develop the required specifications, ensuring the requirements/description of the capabilities and qualifications required for membership, as reflected within the appendices, and that the procedures to be followed to fill vacancies, are maintained up to date, as per the regulatory requirements as applicable, and in line with the requirements as listed in the respective Board, or relevant Board Committee, Charter(s):

- For Board membership, the specifications are illustrated in **Appendix 1**; and
- For Audit Committee (AC) membership, the specifications are illustrated in **Appendix 2**.and
- For other Board Committees' membership, the specifications are illustrated in **Appendix 3**.

Acquisition

- The N&RC may use the below channels for acquiring suitable candidates, or other sources, as it deems necessary:
- For the new board terms, the board member nomination process shall be publicly announced on the Saudi stock exchange (Tadawul) as required by the Saudi regulations. The announcement shall take place in a timely manner, and shall be repeated if necessary so as to ensure sufficient suitable candidates are identified. A sample of the Tadawul announcement is illustrated in **Appendix 5**.
- The recommendations of existing Board members and their network(s)
- Assigning executive search firms

Candidate Application

Potential candidates should submit a formal application including all the regulatory required supporting documentation:

- Summary of work experiences
- Summary of previous boards and/or committees' experiences
- Summary of current boards and/or committees' experiences
- Summary of relevant educational qualifications
- Clear copies of the most relevant qualifications and/or certificates
- Completed required regulatory forms (SAMA Fit and Proper Forms, CMA Forms)
- Clear copy of Saudi ID, or national identification document in the case of non-Saudi nationals

The Director – Company Secretariat (DCS), and/or the N&RC Secretary, shall be responsible for providing guidance to, and receiving the potential candidates' applications, in accordance with these procedures and the associated regulations.

The Legal Affairs and Corporate Governance Department, in coordination with the DCS, shall be

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responsible for reviewing the SAMA F&P forms, prior to submission to SAMA, and the Compliance Department shall thereafter be responsible for obtaining SAMA's no-objection, following the N&RC recommendation approval to SAMA.

Selection

The N&RC shall thoroughly review all the applications received and fairly evaluate them against the criteria enclosed in this policy and procedure.

The N&RC shall document the reasons for shortlisting or rejecting and these may be required by the regulators upon request. For N&RC rejections of Board member applicants it is a regulatory requirement that a formal letter explaining the reasons for the rejection be provided to SAMA by the N&RC Chairman.

The N&RC shall ensure that as a minimum, for the potential Board members for the new term, there must be an excess of at least one independent Board member versus the number of independent Board members needed, as required by the regulations, i.e. if three (3) independent Board members are required then at least four (4) independent board members must be presented to the GA.

For new term Board membership, the N&RC is to select a minimum of ten (10) Board member candidates of which a minimum of five (5) are to be Independent Board members and of which a minimum of four (4) Independent Board members are to be submitted to the GA for approval, assuming the Board size is eight (8) and the minimum Independent Board members three (3).

For new term AC membership, the N&RC shall select a minimum of seven (7) of the most suitable applicants to be interviewed, where six (6) are shortlisted and a minimum, not below three (3), presented for consideration by the GA, assuming the AC size is not below three (3).

For new term other Board Committee membership, where the Committee size is three (3) the N&RC shall select a minimum of five (5) of the most suitable applicants to be interviewed, where three (3) are shortlisted, and where the Committee size is four (4) the N&RC shall select a minimum of six (6) of the most suitable applicants to be interviewed, where four (4) are shortlisted.

Shortlisted candidates may be subject to further screening, including an interview if deemed necessary. This can be conducted by an N&RC Member; or:

- The Board Chairman in case of a Board membership / Board Committee Chairman
- The respective Committee Chairman in the case of a Committee member

The N&RC and Board members may facilitate obtaining references and background checks.

The N&RC has the ultimate responsibility and authority to recommend members to the Board, and/or regulator, where required and applicable, and may also consider the view of the Board, and or Board Committees', Chair(s) in reaching its recommendation decision(s).

Nomination & Appointment

The N&RC shall ensure, where possible, that all Board Committees are chaired by a member of the Board of Bupa Arabia, subject to not contravening any regulations, subject to regulatory and public shareholder approvals where necessary, and amongst which current key regulatory requirements include:

- All the AC members shall be independent and no person may be an AC member, whether Chairman or not, for more than two (2) successive terms,
- All the Board and AC Members, for each new Board term, shall be approved in advance by the public shareholders through General Assembly resolution,
- The Board members, for each new Board term, shall be approved through the cumulative voting process and the Company must ensure that an excess of independent Board members is presented to the GA so that the public shareholders are provided a choice,
- The AC 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, and provided from amongst the AC members as approved by GA resolution,
- The N&RC 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 Chairman of the Board of Bupa Arabia may not be a member of the AC, or of the N&RC, of Bupa Arabia,
- The N&RC shall comprise a majority Independent members and a majority Non-executive members and the Chief Executive Officer (CEO)/Managing Director (MD) may not be a member of the N&RC,
- It is prohibited to appoint, as the Chairman of the Board, the person who was the Chief Executive Officer (CEO)/Managing Director (MD), during the first year following the end of his/her service as CEO/MD,
- The Chairman of the different Committees shall be appointed by the Board, subject to regulatory no-objection, and provided that, in relation to the Board and the AC members, must be selected from the members appointed through the GA resolution.

The N&RC shall ensure that the nominated candidate(s) meet the following:

- The profile requirements listed in **Appendix 1**, **Appendix 2**, or **Appendix 3**; and/or
- The specific membership requirements listed in either the Board Charter, for potential Board members, and/or the relevant Board Committee Charter(s), for Board Committee members.

The N&RC shall identify the most suitable candidates and share its recommendations with either the Board, or SAMA, as required and applicable.

In the event of rejecting candidates, the N&RC shall maintain records of the reasons for the rejections and, for rejected Board member candidates shall coordinate with the Compliance Department to formally inform SAMA.

Fit & Proper (F&P) Forms Submission

- All appointments as members of the Board, or the Board Committee(s), of an insurance company, require SAMA no-objection, through the SAMA Fit & Proper process, as do the Board roles (Chairman, Vice-Chairman and CEO) and the Board Committees' Chairmen.
- The N&RC is responsible for ensuring it acquires sufficient numbers of candidates for submission to SAMA that the Company secures SAMA no-objection for a number of candidates in excess of the minimum requirements, in order that the N&RC is able to, after receipt of the SAMA no-objection, recommend to the Board sufficient alternatives for the Board to recommend to the GA.
- The DCS, and/or the N&RC Secretary, shall be responsible for the coordination of the completion of the potential candidates F&P Forms with the candidates.
- The Legal Affairs & Corporate Governance Department (LACGD) and Compliance Department (COD) shall be responsible for:
 - Reviewing the F&P Forms prior to submission to SAMA,
 - For submitting the Forms to SAMA for SAMA no-objection,
 - For obtaining the SAMA no-objection and communicating that status and outcomes of the same to the DCS and the N&RC Secretary.
- If SAMA rejects/declines to provide its no-objection the N&RC shall decide whether to appeal or withdraw the candidate from the process.
- The DCS, and/or the N&RC Secretary, are thereafter responsible for securing the Board, and/or N&RC approvals, in line with this Policy and Procedure, and thereafter confirming the no-objection outcomes to the relevant parties.

Appointments Finalization and Communication

For ease of reference, the different summary approval steps and authorities are illustrated in **Appendix 4**.

- The Board shall ratify the appointment of the Board members and/or the Board Committee members.
- In the case of Board and AC members, SAMA no-objection is required before the Board approval, and the public shareholders shall thereafter approve the appointments during the GA:
 - In the case of the new Board term members, the GA shall approve the Board and the AC members, prospectively, i.e. in advance, of the new Board term,
 - For the in advance GA meeting approval of the Board members for the new Board term Cumulative voting shall be used in electing the Board members, in which it is not allowed

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to use the voting right of any single share more than once, and with the requirement that the Board member appointment voting in the GA meeting shall be confined to only the Board nominees whose information has been announced to the shareholders in the Tadawul GA invitation as being nominated for appointment to the Board.

- In the case of Board and AC member addition(s)/replacement(s) during a Board term, the Board shall approve, after obtaining SAMA no-objection, and the GA thereafter approves the appointments retrospectively.

The Board roles for the new term (Board Chairman, Board Vice-Chairman and Executive Board member (CEO/Managing Director)) are approved by the Board subject to SAMA no-objection, and no GA approval is required.

- In the case of other Board Committee member replacements during a Board term, the Board shall approve, subject to SAMA no-objection thereafter, and no GA approval is required.
- The LACGD shall, in coordination with the DCS, ensure that all the required Board, and Board Committee, Member Tadawul announcements take place promptly in accordance with all the regulations.
- The COD shall formally notify SAMA an update on the official appointments.
- The LACGD shall notify the CMA/Tadawul of the names, and roles, of the Board, and Board Committee members within five (5) days of their appointment, and also any changes thereto within five (5) days of the date of such changes, and update the CMA/Tadawul websites and announce on Tadawul, where required and applicable.
- The DCS shall ensure the relevant company website sections are updated with any changes in Board, and/or Board Committee, Members.
- The LACGD shall ensure the Company's Commercial Registration document is maintained up to date with the MOCI, with the correct members of the Board.
- The Risk Management Department shall ensure all Board, and Board Committee, members have company director's and officers' liability insurance.

The N&RC shall compile an offer letter and a contract and the Board Chairman, for Board members, or Board Committee Chairman, for Board Committee members, shall sign the contract offer(s), and which shall be communicated to the successful applicant(s) by the Company Board Secretary or N&RC Secretary and will include:

- Job Description (whether for Executive, Non-Executive or Independent, members)
 - Compensation and benefits, as applicable and as specified within the GA approved policies for:
 - Board Member Remuneration Policy,
 - Board Committee Member Remuneration Policy,
 - Performance KPI's where applicable
 - Provision for termination
- Both parties shall retain a copy of the contract.

Board and Board Committee members on-boarding

- Upon official appointment, the Company Secretariat function shall be responsible for coordinating the induction and onboarding of the new Board member(s), including in person induction meeting by the Company Board Secretary, and the provision of a full copy of the Bupa Arabia corporate governance manual.
- Upon official appointment, the induction and onboarding of the Board Committees' members shall be the responsibility of the relevant Board Committee Chairman/Secretary.

Appointment and re-appointment term and service contracts

The term of the Board shall not exceed the maximum allowed by the Company Law and shall be approved by the Board as per the Company's By-Laws (Articles). The term durations of all the Board Committees shall be aligned with the Board term duration.

If a Board Committee is constituted during a board term, the Committee term end will be aligned with the Board term end.

All members, including the Chairman of the Board, may re-nominate themselves every three (3) years through the GA, as applicable, provided it is not prohibited by the regulations.

Re-appointment is not automatic, but subject to the GA meeting approval on the recommendation of the Board, after the N&RC recommendation, if required and as deemed necessary.

Removal

The N&RC may recommend, with documented reasons, to the Board the removal of a Board, or Board Committee, member, in the event of the unsatisfactory performance/contribution of the member, as assessed by the N&RC, or by N&RC accounting for the recommendation of the Chairman (of the Board in relation to Board members, by the Committee Chairman in relation to Committee members), and provided the N&RC has satisfied itself to the reasonableness of the removal, and provided, if required and applicable, in compliance with the disqualification requirements of any of the:

- Corporate law issued by the MOCI, and its associated regulations,
- Regulations on corporate governance issued by the CMA,
- SAMA insurance corporate governance regulations,
- Any other relevant regulations of Saudi Arabia.

Exception

The N&RC Chairman, in coordination with the Chairman of the Board, may decide to waive the application of one rule or more listed in this policy, provided in line with the prevailing rules and regulations of Saudi Arabia.

Effective date

The effective date of this policy is the date of the GA meeting in which the public shareholders formally approve this policy and it supersedes all existing related policies and procedures for the appointment of the Board, and Board Committee, members.

For future amendments the effective date of all future Board and Board Committee Member Nomination and Appointment Policy and Procedure changes, provided not contravening any laws or regulations of Saudi Arabia, nor contravening the Bupa Arabia Company By-Laws (Articles), will be as per the approval of the Board, subject thereafter to the ratification approval of the public shareholders in the next GA meeting.

APPENDIX 1:

Board Member Profile

Education and professional qualification	<ul style="list-style-type: none"> - Minimum Bachelor degree obtained from an accredited University / Institution. - Professional Certificate / License is preferable especially for technical committees. - Strong proficiency of the English language is a must
Regulatory Understanding	<ul style="list-style-type: none"> - Familiar with regulation requirements (i.e. SAMA, CCHI, CMA, etc.). - Familiar with compliance requirements of SAMA, CCHI, CMA, ... etc.
Commitment	<ul style="list-style-type: none"> - Exhibit genuine commitment to the Board while assuming leadership responsibilities as required, and is available to attend all required engagements.
Leadership	<ul style="list-style-type: none"> - Demonstrate executive leadership while exercising independent judgment for the overall benefits of the organization and its shareholders.
Relevant Work Experience	<ul style="list-style-type: none"> - Minimum 15 Years total Experience, of which 5 years should be in the field of Financial Industry - Assumed Senior executive role in a profit/loss organization; in his past working experience - Sufficient understanding of Financial Statements, the financial regulations, and major accounting and reporting systems and issues - Has good understanding of internal control systems. - Familiar with risk management identification and evaluation. - Along with the Risk Committee, have oversight for the company's internal control and risk management systems.
Personality	<ul style="list-style-type: none"> - Ability to act independently and pro-actively in advising the full Committee/Board of any concerns - The courage to take and stand by tough decisions. - Loyalty to the interest of shareholders and other stakeholders. Maintain the highest ethical standards. - Demand the highest ethical standards of behavior from Internal and External Auditors.
Others	<ul style="list-style-type: none"> - Not previously terminated for breach of code of conduct or applicable regulations - Not criminally charged and convicted in the past - No ongoing significant credit delinquency - Has not owned, worked as an Executive or been a Board Member in a company that has had its license revoked or was declared bankrupt

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APPENDIX 2: Audit Committee (AC) Member Profile

<p>Financial Acumen</p>	<ul style="list-style-type: none"> - Has sharp financial acumen and sound knowledge of the implementing rules and financial regulations, and basic financial statements. - Has good understanding of major accounting and reporting systems and issues. - Has good understanding of Internal and External Auditors. - Has good understanding of fundamental concepts of professional auditing standards. - Has good understanding of internal control systems. - Familiar with risk management identification and evaluation. - Supports and challenges the activities of a strong Internal Audit function. - Monitor and review the effectiveness of the internal audit function. - Along with the Risk Management Committee (RMC), have oversight for the company's internal control and risk management systems. <p>A formal tertiary financial qualification is preferred Strong proficiency of the English language is a must</p>
<p>Regulatory Understanding</p>	<ul style="list-style-type: none"> - Familiar with regulation requirements (i.e. SAMA, CCHI, CMA, etc.). Familiar with compliance requirements of SAMA, CCHI, CMA, ... etc.
<p>Commitment</p>	<ul style="list-style-type: none"> - Exhibit genuine commitment to the Board while assuming leadership responsibilities as required, and is available to attend all required engagements.
<p>Leadership</p>	<ul style="list-style-type: none"> - Demonstrate executive leadership while exercising independent judgment for the overall benefits of the organization and its shareholders.
<p>Relevant Work Experience</p>	<ul style="list-style-type: none"> - Senior executive in a profit/loss organization; - Current/previous member of a publicly listed company; Committee member experience preferred; - Finance work experience in either an insurance company or health care organization essential; - Total number of years: 15 years minimum
<p>Personality</p>	<ul style="list-style-type: none"> - Ability to act independently and pro-actively in advising the full Committee/Board of any concerns - The courage to take and stand by tough decisions. - Loyalty to the interest of shareholders and other stakeholders. Maintain the highest ethical standards. - Demand the highest ethical standards of behavior from Internal and External Auditors.
<p>Others</p>	<ul style="list-style-type: none"> - Not previously terminated for breach of code of conduct or applicable regulations - Not criminally charged and convicted in the past No ongoing significant credit delinquency - Have not owned, worked as an Executive or been a Board Member in a company that its license was revoked or declared bankrupt

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APPENDIX 3: Other Committee Member Profile

Subject Matter knowledge	<ul style="list-style-type: none"> - Has sound subject matter knowledge of the Committee being recommended as a member of, whether: - Investment Committee (IC) - Executive Committee (EC) - Nomination & Remuneration Committee (N&RC) - Risk Management Committee (RMC)
Regulatory Understanding	<ul style="list-style-type: none"> - Familiar with regulation requirements (i.e. SAMA, CCHI, CMA, ... etc.). - Familiar with compliance requirements of SAMA, CCHI, CMA, ... etc.
Commitment	<ul style="list-style-type: none"> - Exhibit genuine commitment to the Board while assuming leadership responsibilities as required, and is available to attend all required engagements.
Leadership	<ul style="list-style-type: none"> - Demonstrate executive leadership while exercising independent judgment for the overall benefits of the organization and its shareholders.
Relevant Work Experience	<ul style="list-style-type: none"> - Senior executive in a profit/loss organization; - Publicly listed company experience preferred; - Committee member experience preferred; - Work experience in a the financial Industry (either an insurance company or bank or health care organization preferred) - Total number of years: 10 years minimum
Personality	<ul style="list-style-type: none"> - Ability to act independently and pro-actively in advising the full Committee/Board of any concerns - The courage to take and stand by tough decisions. - Loyalty to the interest of shareholders and other stakeholders. - Maintain the highest ethical standards.
Others	<ul style="list-style-type: none"> - Not previously terminated for breach of code of conduct or applicable regulations - Not criminally charged and convicted in the past - No ongoing significant credit delinquency - Have not owned, worked as an Executive or been a Board Member in a company that its license was revoked or declared bankrupt - Strong proficiency of the English language is a must

APPENDIX 4: Appointment Approval Processes and Authorities

Below is a summary of the approval processes and sequential steps for ease of reference and clarity:

Board Members New Term:

- To announce the nomination period on Tadawul, so all Independents and Shareholders have the opportunity to apply

Board and/or Audit Committee Members New Term:

- N&RC to recommend to SAMA
- SAMA to provide no-objection
- N&RC to recommend shortlist to Board
- Board to recommend to GA
- GA to approve in advance, via cumulative voting

Board Roles New Term/Changes within a Term:

- Board to appoint Chairman, Vice-Chairman and CEO, subject to SAMA no-objection
- SAMA to provide no-objection

Board Committees' Chairmen New Term/Chairmen Changes within a Term:

- N&RC recommends to Board
- Board approves subject to SAMA no-objection
- SAMA no-objection of Board Committees' Chairmen

Board and/or Audit Committee Member(s) Replacement within Term:

- N&RC to recommend to SAMA
- SAMA to provide no-objection
- N&RC to recommend shortlist to Board
- Board to approve subject to GA approval.
- GA to approve retrospectively

Other Board Committees' Member(s) New Term:

- N&RC to recommend
- Board to approve subject to SAMA no-objection
- SAMA to provide no-objection

Other Board Committees' Member(s) Replacement within Term:

- Committee Chairman to recommend
- N&RC to recommend
- Board to approve subject to SAMA no-objection
- SAMA to provide no-objection

APPENDIX 5: New Term Board Member Nomination Process as per Tadawul.

Further to the Board Nomination period, as announced on Wednesday [INSERT DATE] H, corresponding [INSERT DATE] G, Bupa Arabia is pleased to announce a further nomination period for electing a new board of directors, for three years which will start from [INSERT DATE] H, corresponding to [INSERT DATE] G and ends on [INSERT DATE] H, corresponding to [INSERT DATE] G.

For the shareholders, who hold shares with a face value of no less than **Ten Thousand Saudi Rivals** (which is equivalent to one thousand shares) wanting to nominate themselves to become members of the board of directors, should submit a nomination request to the company, care of Nomination & Remuneration Committee and send it to the following address: P.O. Box 23807 Jeddah, 21436 Telephone: 920000456 Ext: 5343 Fax: 0126920525 Email: invest@bupa.com.sa

Requests should be sent starting [INSERT DATE] H, corresponding to [INSERT DATE] G and before the end of [INSERT DATE] H, corresponding to [INSERT DATE] G, and the nomination notification according to what the Ministry of Commerce company rules, the company's bylaws, Law on Supervision of Cooperative Insurance and its regulation, corporate governance regulations, listing rules, that are issued by the Capital Market Authority (CMA) and which includes the following:

- 1) Submitting the request to the company's management, including the nominee's resume, qualifications and experience in the insurance sector.
- 2) It is required for any nominee that held the position of board member in any public company to provide the following information:
 - a. The number of Board of Directors meetings that took place during all of the years of the term and the number of meetings that the member attended and the percentage of attendance.
 - b. The continuous committees that the member participated in and the number of meetings held for each of these committees during each year of the term.
- 3) A list of all public companies that he still is a board member of.
- 4) A list of companies or establishments that he manages or owns, and is engaged in business related to the company's business.
- 5) Completing the Fit and Proper form issued by the Saudi Arabian Monetary Authority, which can be found on [SAMA's website](#).
- 6) Completing form (3) as issued by the Capital Market Authority (CMA), which can be found on [CMA's website](#);
- 7) The nominee shall not be a member of the Board of Directors of any other insurance and/or reinsurance Company.
- 8) The nominee shall not hold membership in more than five boards of public companies at one time.
- 9) It is not allowed, except after written approval from SAMA, for a person who had held similar position in a liquidated Company to nominate himself.
- 10) To be attached with the application, a clear copy of the national ID for individuals, commercial registration for companies and establishments and the phone numbers of the nominees.

The new term Board of Directors will be voted for during the upcoming General Assembly meeting of the Company, and which will be held following its coordination with the CMA and the exact date will be announced on Tadawul as soon as finalised with the CMA.



Bupa Arabia Policy and Procedure

Board and Board Committee Member Nomination and Appointment Policy

1. Introduction

1.1. Purpose

The purpose of the Board and Board Committee Member Nomination and Appointment Policy is:

- To ensure that the nomination and appointment of all Board and Board Committee members are conducted in full compliance with the applicable laws, regulations, and regulatory requirements of the Kingdom of Saudi Arabia;
- To promote transparency and clarity for Bupa Arabia's shareholders by ensuring that shareholder approvals are obtained, where required, in respect of the nomination and appointment of Board and Board Committee members;
- To support effective succession planning for the Board and Board Committees by maintaining an appropriate pool of qualified candidates to address vacancies arising during a Board term;
- To ensure that a transparent, fair, consistent, and merit-based nomination and appointment process is applied to all Board and Board Committee members;
- To establish clear criteria relating to qualifications, competencies, leadership attributes, and independence for the appointment of Board and Board Committee members;
- To ensure that the independence of candidates nominated as "Independent" members is appropriately assessed and safeguarded;
- To mitigate actual or potential conflicts of interest arising from multiple board or committee memberships; and
- To ensure the identification, assessment, and management of conflicts of interest, including those relating to related party transactions.

The Board is responsible for approving this policy, after the recommendation of the Nomination & Remuneration Committee (N&RC), subject thereafter to the public shareholders' approval via formal General Assembly (GA) meeting, where required and applicable.

1.2. Scope

This Policy applies to all candidates, whether executive, non-executive, or independent, who are nominated for membership of the Board of Directors and/or Board Committees of Bupa Arabia.

It also applies to candidates nominated to the boards and board committees of Bupa Arabia's affiliates and subsidiaries that are subject to the same Saudi regulatory authorities and governance frameworks.

For affiliates and subsidiaries operating in jurisdictions outside the Kingdom of Saudi Arabia, separate nomination and appointment policies shall be developed and applied in compliance with the applicable local laws and regulatory requirements.

1.3. Standards and regulations

This Policy shall adhere to the relevant laws, rules, and regulations applicable in the Kingdom of Saudi Arabia, including, without limitation, the Companies Law issued by the Ministry of Commerce (MoC), the Corporate Governance Regulations issued by the Capital Market Authority (CMA), the Insurance Authority's corporate governance and Fit and Proper requirements, and any other applicable Saudi Arabian laws and regulatory requirements.

Affiliates and subsidiaries that are required to develop their own nomination and appointment policies shall ensure that such policies are fully aligned with the requirements of the applicable regulators to which they are subject.

1.4. Responsibility and implementation

The Nomination and Remuneration Committee (N&RC) is responsible for the implementation of this Policy. The N&RC shall recommend the approval of this Policy and Procedure, and any subsequent amendments thereto, to the Board of Directors.

The Board of Directors is authorized to approve this Policy and Procedure, and any amendments thereto, subject to the approval or ratification of the public shareholders through a General Assembly (GA) meeting, where required under applicable laws and regulations.

This Policy and Procedure, and any material amendments thereto, shall be shared with the relevant regulatory authorities as required by applicable regulations.

1.5. Definitions

The definitions, acronyms, and abbreviations used in this Policy shall be interpreted in accordance with the definitions set out in the Bupa Arabia Code of Corporate Governance, as amended from time to time, and, where not defined therein, in accordance with the definitions provided under the applicable laws and regulations of the Kingdom of Saudi Arabia.

1.6. Management of the document and frequency of policy revision

The Nomination and Remuneration Committee (N&RC) is responsible for the ownership of this Policy, including its periodic review, and for proposing any amendments or updates, at least annually or as required to reflect changes in applicable laws and regulatory requirements.

This Policy, and any subsequent amendments thereto, shall be reviewed and approved by the Board of Directors based on the recommendation of the N&RC, and shall be submitted for approval or ratification by the public shareholders through a General Assembly (GA) meeting, where required under applicable regulations.

The N&RC shall liaise with the Legal Affairs and Corporate Governance Departments and the Company Secretary, who shall be responsible for advising the N&RC and the Board on regulatory developments, and for ensuring that the content of this Policy remains aligned with prevailing laws and regulatory requirements.

2. Nomination & Appointment Process

2.1. Identification requirements

The Nomination and Remuneration Committee (N&RC) shall identify the need for appointing Board and/or Board Committee members in accordance with the Board term, approved succession plans, and applicable regulatory requirements.

The N&RC shall develop the required role specifications and eligibility criteria, ensuring that the capabilities, qualifications, and experience required for membership are clearly defined and aligned with applicable regulations and the requirements set out in the relevant Board or Board Committee Charter(s), as reflected in the appendices to this Policy, as follows:

- For Board membership, the specifications are set out in **Appendix 1**;
- For Audit Committee (AC) membership, the specifications are set out in **Appendix 2**;
- For other Committees' membership, the specifications are set out in **Appendix 3**

2.2. Acquisition

The Nomination and Remuneration Committee (N&RC) may use the channels set out below, or any other appropriate sources, to identify and acquire suitable candidates:

- For new Board terms, the nomination process for Board membership shall be publicly announced on the Saudi Exchange (Tadawul), in accordance with applicable regulations. Such announcements shall be made in a timely manner and may be repeated, where necessary, to ensure the identification of a sufficient pool of qualified candidates;
- Recommendations from existing Board members and their professional networks; and
- Engaging independent executive search firms, where deemed appropriate.

2.3. Candidate Application

Potential candidates shall submit a formal application supported by all documentation required under applicable regulations, including:

- A summary of professional work experience, in Arabic and English;
- A summary of previous board and/or committee memberships, in Arabic and English;
- A summary of current board and/or committee memberships, in Arabic and English;
- A summary of relevant educational qualifications;
- Clear copies of the most relevant academic and professional certificates;
- Completed regulatory forms, including the Insurance Authority Fit and Proper Form and the CMA/Tadawul required forms, in the prescribed language(s) and format(s); and
- A clear copy of a valid Saudi national ID, or an official national identification document for non-Saudi candidates.

The Director – Company Secretariat (DCS) and/or the N&RC Secretary shall be responsible for providing guidance to candidates and receiving applications, in accordance with this Policy, its procedures, and applicable regulatory requirements.

The Legal Affairs and Corporate Governance Departments shall be responsible for reviewing the Insurance Authority Fit and Proper forms for completeness and regulatory compliance prior to submission, and the Compliance Department shall thereafter be responsible for submitting the forms to the Insurance Authority and obtaining the required no-objection, following the approval

of the N&RC recommendation.

2.4. Selection

The Nomination and Remuneration Committee (N&RC) shall review all applications received and evaluate candidates against the criteria set out in this Policy and applicable regulations.

The N&RC shall document the reasons for shortlisting or rejecting candidates and retain such records, which shall be made available to regulators upon request. Where required under applicable Insurance Authority regulations, the N&RC Chairman shall ensure that a formal notification explaining the reasons for rejection of Board member candidates is submitted to the Insurance Authority.

The N&RC shall ensure that the composition of the Board of Directors complies with applicable independence requirements. Accordingly, the number of Independent Directors shall not be less than two (2), or one-third (1/3) of the Board, whichever is greater.

For a new Board term, the N&RC shall identify a sufficient pool of candidates to meet the required Board size and minimum independence requirements, in accordance with applicable regulations.

For new term Audit Committee (AC) membership, the N&RC shall ensure that the Audit Committee does not include any executive members of the Board of Directors and that its membership comprises no fewer than three (3) and no more than five (5) members.

For new term membership of other Board Committees, the N&RC shall ensure that the number of members of each committee is no fewer than three (3) and no more than five (5).

Where required, shortlisted candidates may be subject to further screening, including interviews, conducted by the N&RC or such other persons as permitted under applicable governance arrangements.

The N&RC may obtain references and conduct background checks to the extent required under applicable laws and regulations.

2.5. Nomination & Appointment

The Nomination and Remuneration Committee (N&RC) shall ensure that the nomination and appointment of Board and Board Committee members comply at all times with applicable laws and regulatory requirements.

In accordance with applicable regulations:

- Majority members of the Audit Committee (AC) must be Independent, and no individual may serve as a member of the Audit Committee, whether as Chairman or member, for more than two (2) consecutive terms.
- Board members shall be appointed by the General Assembly (GA).
- Board members shall be elected through the cumulative voting mechanism, and a sufficient number of Independent Director candidates shall be presented to meet regulatory independence requirements.
- A Board member shall not serve on the boards of directors of more than five (5) listed joint stock companies at the same time.
- The Chairman of the Audit Committee shall be an Independent Board member, subject to obtaining the required regulatory no-objection.
- The Chairman of the Nomination and Remuneration Committee shall be an Independent Board member, subject to obtaining the required regulatory no-objection.
- The Chairman of the Board shall not be a member of the Audit Committee or the Nomination and Remuneration Committee.
- The Nomination and Remuneration Committee shall comprise a majority of Independent members.
- A person who served as Chief Executive Officer (CEO) or Managing Director (MD) of the Company shall not be appointed as Chairman of the Board during the one (1) year period following the end of such service.
- The Board of Directors shall select the Chairman of the Board from among members elected by the General Assembly. Board Committee Chairmen shall be appointed by the Board, subject to regulatory no-objection, and, in the case of the Audit Committee Chairman, from among members appointed by the General Assembly.

The N&RC shall ensure that all nominated candidates meet:

- the applicable profile requirements set out in Appendix 1, Appendix 2, or Appendix 3, as relevant; and
- the eligibility and membership requirements prescribed in the Board Charter or the relevant Board Committee Charter(s).

The N&RC shall submit its recommendations to the Board and/or the Insurance Authority, as required under applicable regulations.

Where candidates are rejected, the N&RC shall retain records of the reasons for rejection and, where required, shall coordinate with the Compliance Department to notify the Insurance Authority.

2.6. Fit & Proper (F&P) Forms Submission

All appointments of members of the Board of Directors or Board Committees of an insurance company, including Board roles (Chairman, Vice-Chairman, and CEO) and Board Committee Chairmen, shall be subject to obtaining a no-objection from the Insurance Authority through the Fit and Proper (F&P) process.

The N&RC shall ensure that a sufficient number of candidates is submitted for the Fit and Proper process in excess of the minimum required positions, to enable the N&RC, following receipt of Insurance Authority no-objection, to recommend adequate alternatives to the Board for onward recommendation to the General Assembly.

The Director – Company Secretariat (DCS) and/or the N&RC Secretary shall be responsible for coordinating the completion of the Fit and Proper forms with the relevant candidates.

The Compliance Department (COD) shall be responsible for:

- Reviewing the Fit and Proper forms prior to submission to the Insurance Authority;
- Submitting the forms to the Insurance Authority for no-objection; and
- Obtaining and communicating the Insurance Authority’s no-objection outcomes to the DCS and the N&RC Secretary.

If the Insurance Authority declines to grant a no-objection, the N&RC shall determine whether to appeal the decision or withdraw the candidate from the process.

Following receipt of the Insurance Authority’s no-objection, the DCS and/or the N&RC Secretary shall be responsible for securing the required Board, N&RC, and other relevant approvals in accordance with this Policy and Procedure.

2.7. Appointments Finalization and Communication

For ease of reference, the applicable approval steps and authorities are summarized in Appendix 4.

The Board of Directors shall recommend the appointment of Board members and Board Committee members in accordance with applicable laws and regulations.

In the case of Board and Audit Committee (AC) members, Insurance Authority no-objection shall be obtained prior to submission to the General Assembly (GA). The public shareholders shall thereafter approve the appointments during the GA meeting, as follows:

For new Board terms, the GA shall approve the appointment of Board members and Audit Committee members in advance of the commencement of the new Board term.

Board members shall be elected through cumulative voting, and voting shall be limited to candidates whose nomination details have been disclosed in the Tadawul GA invitation.

In the case of additions or replacements of Board or Audit Committee members during a Board term, the Board shall recommend the appointments after obtaining Insurance Authority no-objection, and the GA shall thereafter approve such appointments retrospectively, in accordance with applicable regulations.

The Board shall approve Board roles for the new term, including the Chairman of the Board, Vice-Chairman, and Executive Board member (Chief Executive Officer/Managing Director), from among

the members elected by the GA, subject to obtaining Insurance Authority no-objection.

In the case of replacements of other Board Committee members during a Board term, the Board shall approve such appointments subject to Insurance Authority no-objection, and no General Assembly approval shall be required, unless otherwise mandated by regulation.

The Legal Affairs and Corporate Governance Department (LACGD), in coordination with the Director – Company Secretariat (DCS), shall ensure that all regulatory disclosures and announcements relating to Board and Board Committee appointments are made in accordance with applicable regulations, including Tadawul disclosure requirements.

The Compliance Department (COD) shall formally notify the Insurance Authority of finalized appointments, and the LACGD shall update the Capital Market Authority (CMA), Tadawul, and the Ministry of Commerce (MoC), within the prescribed regulatory timelines.

2.8. Board and Board Committee members on-boarding

Upon official appointment, the Company Secretariat function shall coordinate the regulatory induction of newly appointed Board members, including familiarization with the Company's governance framework and applicable regulatory obligations.

The induction of Board Committee members shall be coordinated by the relevant Board Committee Chairman or Secretary, in accordance with governance requirements.

2.9. Appointment and re-appointment term and service contracts

The term of the Board of Directors shall not exceed the maximum duration prescribed under the Companies Law and shall be approved by the General Assembly in accordance with the Company's By-Laws (Articles).

The terms of all Board Committees shall be aligned with the term of the Board. Where a Board Committee is constituted during a Board term, its term shall end concurrently with the end of the Board term.

Board members, including the Chairman of the Board, may be re-nominated for subsequent terms, subject to General Assembly approval, in accordance with applicable laws and regulations.

Re-appointment shall not be automatic and shall be subject to the approval of the General Assembly based on the recommendation of the Board, following the recommendation of the Nomination and Remuneration Committee (N&RC), where required.

2.10. Removal

The Nomination and Remuneration Committee (N&RC) may recommend to the Board of Directors the removal of a Board member or a Board Committee member, with documented and substantiated reasons, in accordance with applicable laws and regulations.

Any recommendation for removal shall be made in compliance with:

- the Companies Law;
- the Corporate Governance Regulations issued by the Capital Market Authority (CMA);
- the Insurance Authority's corporate governance regulations; and
- any other applicable laws and regulations of the Kingdom of Saudi Arabia.

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Where required under applicable regulations, the removal of a Board member shall be subject to the approval of the General Assembly.

2.11. Exception

Any exception to the application of this Policy shall be permitted only to the extent explicitly allowed under applicable laws and regulations, and where required, shall be subject to prior regulatory no-objection and/or approval by the General Assembly.

No exception may be applied in a manner that contravenes the Companies Law, the Corporate Governance Regulations issued by the Capital Market Authority, the Insurance Authority's governance requirements, or any other applicable laws or regulations of the Kingdom of Saudi Arabia.

2.12. Effective date

This Policy shall become effective as of the date of approval by the General Assembly (GA) and shall supersede all previous policies and procedures relating to the nomination and appointment of Board and Board Committee members.

Any amendments to this Policy shall become effective upon approval by the Board of Directors, and, where required under applicable laws, regulations, or the Company's By-Laws (Articles), shall be submitted to the General Assembly for ratification.

APPENDIX 1: Board Member Profile

Education and professional qualification	<ul style="list-style-type: none"> - Minimum Bachelor degree obtained from an accredited University / Institution. - Professional Certificate / License is preferable especially for technical committees. - Strong proficiency of the English language is a must.
Regulatory Understanding	<ul style="list-style-type: none"> - Familiar with regulation requirements (i.e. Insurance Authority, CHI, CMA, etc.). - Familiar with compliance requirements of Insurance Authority, CHI, CMA, etc).
Commitment	<p>Exhibit genuine commitment to the Board while assuming leadership responsibilities as required and is available to attend all required engagements.</p>
Leadership	<p>Demonstrate executive leadership while exercising independent judgment for the overall benefits of the organization and its shareholders.</p>
Relevant Work Experience	<ul style="list-style-type: none"> - Minimum 15 Years total Experience, of which 5 years should be in the field of Financial Industry. - Assumed Senior executive role in a profit/loss organization; in his past working experience. - Sufficient understanding of Financial Statements, the financial regulations, and major accounting and reporting systems and - Familiar with risk management evaluation. - Has good understanding of internal control systems. - Have oversight for the company's internal control and risk management systems.
Personality	<ul style="list-style-type: none"> - Ability to act independently and pro-actively in advising. - The courage to take and stand by tough decisions. - Loyalty to the interest of shareholders and other stakeholders. - Maintain the highest ethical standards. - Demand the highest ethical standards of behavior from Internal and External Auditors.
Others	<ul style="list-style-type: none"> - Not previously terminated for breach of code of conduct or regulations. - Has not owned, worked as an Executive or been a Board Member in a company that has had its license revoked or was declared bankrupt. - Not criminally charged and convicted in the past - No ongoing significant credit delinquency.

APPENDIX 2: Audit Committee (AC) Member Profile

Financial Acumen	<ul style="list-style-type: none"> - Has sharp financial acumen and sound knowledge of the implementing rules and financial regulations, and basic financial statements. - Has good understanding of major accounting and reporting systems and issues. - Has good understanding of Internal and External Auditors. - Has good understanding of fundamental concepts of professional auditing standards. - Has good understanding of internal control systems, and risk management identification and evaluation. - Supports the activities of the Internal Audit function. - Monitor and review the effectiveness of the internal audit function. - A formal tertiary financial qualification is preferred. - Strong proficiency of the English language is a must.
Regulatory Understanding	<ul style="list-style-type: none"> - Familiar with regulation requirements (i.e. Insurance Authority, CHI, CMA. - Familiar with compliance requirements of Insurance Authority, CHI, CMA, ... etc.
Commitment	<ul style="list-style-type: none"> - Exhibit genuine commitment to the Board while assuming leadership responsibilities as required and is available to attend all required engagements.
Leadership	<ul style="list-style-type: none"> - Demonstrate executive leadership while exercising independent judgment for the overall benefits of the organization and its shareholders.
Relevant Work Experience	<ul style="list-style-type: none"> - Senior executive in a profit/loss organization; in his past working experience. - Previous member of a publicly listed company; Committee member experience preferred; - Finance work experience in either an insurance company or health care organization essential; - Total number of years: 15 years minimum
Personality	<ul style="list-style-type: none"> - Ability to act independently and pro-actively in advising. - The courage to take and stand by tough decisions. - Loyalty to the interest of shareholders and other stakeholders. - Maintain the highest ethical standards. - Demand the highest ethical standards of behavior from Internal and External Auditors.
Others	<ul style="list-style-type: none"> - Not previously terminated for breach of code of conduct or applicable regulations. - Have not owned, worked as an Executive or been a Board Member in a company that its license was revoked or declared bankrupt. - Not criminally charged and convicted in the past. - No ongoing significant credit delinquency.

APPENDIX 3: Other Committee Member Profile

Subject Matter Knowledge	<ul style="list-style-type: none"> - Has sound subject matter knowledge of the Committee being recommended as a member of, whether: - Investment Committee (IC). - Executive Committee (EC). - Nomination & Remuneration Committee (N&RC). - Risk Management Committee (RMC), and Legal Affairs and Corporate Governance Department.
Regulatory Understanding	<ul style="list-style-type: none"> - Familiar with regulation requirements (i.e. Insurance Authority, CHI, CMA, ... etc.). - Familiar with compliance requirements of Insurance Authority, CHI, CMA, ... etc.
Commitment	<ul style="list-style-type: none"> - Exhibit genuine commitment to the Board while assuming leadership responsibilities as required and is available to attend all required engagements.
Leadership	<ul style="list-style-type: none"> - Demonstrate executive leadership while exercising independent judgment for the overall benefits of the organization and its shareholders.
Relevant Work Experience	<ul style="list-style-type: none"> - Senior executive in a profit/loss organization; in his past working experience - Publicly listed company experience preferred; - Committee member experience preferred; - Work experience in the financial industry (either an insurance company or banks, or health care organization preferred) - Total number of years: 10 years minimum
Personality	<ul style="list-style-type: none"> - Ability to act independently and pro-actively in advising. - The courage to take and stand by tough decisions. - Loyalty to the interest of shareholders and other stakeholders. - Maintain the highest ethical standards.
Others	<ul style="list-style-type: none"> - Not previously terminated for breach of code of conduct or applicable regulations. - Have not owned, worked as an Executive or been a Board Member in a company that its license was revoked or declared bankrupt. - Not criminally charged and convicted in the past. - No ongoing significant credit delinquency.

APPENDIX 4: Appointment Approval Processes and Authorities

Below is a summary of the approval processes and sequential steps for ease of reference and clarity:

Board Members New Term:

- To announce the nomination period on Tadawul, so all Independents and Shareholders have the opportunity to apply

Board and/or Audit Committee Members New Term:

- N&RC to recommend to Insurance Authority.
- Insurance Authority to provide no-objection.
- N&RC to recommend shortlist to Board.
- Board to recommend to GA.
- GA to approve in advance, via cumulative voting.

Board Roles New Term/Changes within a Term:

- Board to appoint Chairman, Vice-Chairman and CEO, subject to Insurance Authority no-objection
- Insurance Authority to provide no-objection

Board Committees' Chairmen New Term/Chairmen Changes within a Term:

- N&RC recommends to Board.
- Board approves subject to Insurance Authority no-objection.
- Insurance Authority no-objection of Board Committees' Chairmen.

Other Board Committees' Member(s) Replacement within Term:

- N&RC Chairman to recommend
- N&RC to recommend to Insurance Authority
- N&RC to recommend shortlist to Board
- Board to approve subject to GA approval.
- Insurance Authority to provide no-objection

Other Board Committees' Member(s) New Term:

- N&RC to recommend
- Board to approve subject to Insurance Authority no-objection
- Insurance Authority to provide no-objection

Board Committees' Chairmen:

- Committee Chairman to recommend
- N&RC to recommend
- Board to approve subject to Insurance Authority no-objection
- Insurance Authority to provide no-objection

Appendix 2– Document Control

Synopsis	<ul style="list-style-type: none"> • Document Title: Nomination and Appointment policy • Document Status: V.3 • Document Effective Date: 2017 • Document Issue Date: Dec 2025 • Document Next Revision Date: 		
Key Contacts	<ul style="list-style-type: none"> • Enterprise Policy Sponsor: Tariq Alamoudi CHRO • Document Owner: Total Rewards Department 		
Approval Authority	<ul style="list-style-type: none"> • Board of Directors – Approved: 29th April 2026 • Assurance Group Committee – Endorsed: 13th Feb 2026 • Turki Albulwi – Sr. Director Total Rewards – Reviewed: • Tariq Darwish – Director Total Rewards – Prepared: Dec 2025 • General Assembly – Approved – 30th Nov 2017 • Board of Directors – Approved - 		
Classification	Company Internal		
Version / Dates	<table border="1"> <tr> <td> Current Version: V.3 Date Published: Date of Next Review: </td> <td> Prior Version: V.2 Prior Published:2017 </td> </tr> </table>	Current Version: V.3 Date Published: Date of Next Review:	Prior Version: V.2 Prior Published: 2017
Current Version: V.3 Date Published: Date of Next Review:	Prior Version: V.2 Prior Published: 2017		

Intended for Business Use Only – Release Control Required

Version 2, as approved by the General Assembly meeting of 30 November 2017

Board and Board Committee Member Nomination and Appointment Policy and Procedure

Section / Topic	2017 Version	2026 Version
Regulatory References	Refers to the Saudi Arabian Monetary Authority (SAMA) and the Ministry of Commerce and Investment (MOCI).	Updated to reflect the new regulatory landscape: refers to the 'Insurance Authority' (IA) instead of SAMA, and the 'Ministry of Commerce' (MoC) instead of MOCI.
Scope	Applies to candidates for the Board and Committees, including future affiliates and subsidiaries.	Expands and clarifies the scope for affiliates and subsidiaries operating outside Saudi Arabia, explicitly stating they must develop separate policies in compliance with local laws.
Responsibility and Implementation	N&RC recommends to the Board; Board approves subject to GA approval. Policy shared with regulators.	Similar process, but adds that material amendments must be shared with relevant regulatory authorities.
Document Ownership & Review	N&RC owns the policy and reviews it annually.	Explicitly assigns ownership to the 'Total Rewards Department' (in the Document Control appendix) while maintaining N&RC's role in periodic review.
Acquisition of Candidates	Announcements on Tadawul for new board terms. N&RC may use executive search firms or recommendations.	Maintains the same channels but updates language to refer to the 'Saudi Exchange (Tadawul)'.
Candidate Application Requirements	Requires SAMA Fit and Proper Forms and CMA Forms. Requires clear copy of Saudi ID.	Requires 'Insurance Authority Fit and Proper Form'. Specifies that summaries of experience and memberships must be provided in both Arabic and English.
Selection & Independence Thresholds	Requires an excess of at least one independent Board member versus the number needed. Specifies selecting a minimum of 10 candidates (5 independent) to submit 4 to the GA.	Removes the specific 'minimum 10 candidates' rule. Replaces it with a clearer regulatory threshold: 'the number of Independent Directors shall not be less than two (2), or one-third (1/3) of the Board, whichever is greater.'
Committee Size & Composition	Audit Committee: N&RC selects minimum 7 to interview, 6 shortlisted, minimum 3 presented to GA. Other committees: size 3 (select 5) or size 4 (select 6).	Simplifies the rules: Audit Committee must have 3 to 5 members and no executive directors. Other committees must also have 3 to 5 members. Removes the rigid interview/shortlist numbers.
Nomination & Appointment Rules	Lists specific rules (e.g., AC members independent, max 2 terms; Chairman cannot be AC/NRC member).	Maintains these rules but structures them more clearly. Adds that a Board member shall not serve on the boards of more than five (5) listed joint stock companies at the same time.
Appointments Finalization & Communication	Board ratifies appointments. GA approves in advance via cumulative voting.	Adds a specific requirement for the Legal Affairs and Corporate Governance Dept to update the CMA, Tadawul, and MoC within prescribed regulatory timelines.
Exceptions	N&RC Chairman and Board Chairman may waive rules if in line with regulations.	Stricter wording: Exceptions are permitted only to the extent explicitly allowed under applicable laws and regulations, subject to prior regulatory no-objection.
Document Control / Metadata	Not explicitly structured at the end.	Adds a formal 'Document Control' appendix detailing status (V.3), dates, sponsor (CHRO), owner (Total Rewards), and approval authorities (Board, AGC, GA).