



Power of Attorney Form

Date:

Corresponding to:

Date: Corresponding to: I with national ID number..... issued from in my [personal] capacity or [an authorised signatory/ chairman/manger[name of authorising company] and the owner of shares of Bupa Arabia for Corporate Insurance with commercial registration number 4030178881 and pursuant to article 25 of the company's bylaws hereby authorise to attend the Ordinary General Assembly to be held on Thursday 12th Rabi' Awwal 1439H, corresponding to 30th November 2017G, at 6:30 pm at Bupa Arabia's Jeddah Head Office, Prince Saud Al-Faisal Street., Al-Khaleidiyah District, Jeddah to vote and sign on my behalf on the agenda of the General Assembly Meeting. This authorisation is valid for this meeting and any subsequent adjourned meeting.

Full name of the person signing the POA:

Capacity the person signing the POA:

National ID number of the person signing the proxy or Iqama ID (for non-Saudis) or its equivalent:

Signature (if a legal entity):



Bupa Arabia Policy

Board Member Remuneration Policy

Board Member Remuneration Policy

Purpose

This policy defines the remuneration of Bupa Arabia's Board members in line with market practice and the regulations and laws of Saudi Arabia. The policy aims at attracting the right calibre of person to fulfil the roles and responsibilities of the respective Board members.

The Board is responsible for approving this policy, subject thereafter to the public shareholders' approval via a formal General Assembly meeting, where required and applicable.

Scope

This policy is applicable to Bupa Arabia Board Members' Remuneration only.

Standards and regulations

The policy and procedures 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, the regulation on corporate governance issued by the Capital Market Authority (CMA), the Saudi Arabian Monetary Authority (SAMA) insurance corporate governance rules and regulations, and any other relevant regulations.

Policy requirements

Bupa Arabia's Board Member Remuneration Policy requirements are to ensure that they are:

1. Within the parameters of Saudi Arabia's laws for Saudi joint-stock companies,
2. Within the parameters of Bupa Arabia's Company By-Laws, as approved by the regulators, and the public shareholders, where required and applicable,
3. Proposed for the approval of the Board via a formally documented Bupa Arabia Nomination and Remuneration Committee (N&RC) market and industry bench-marking review and authorisation process, which outcome is the formal N&RC recommendation approval to the Board of Directors of Bupa Arabia,
4. Proposed for the approval of the public shareholders via a formally documented Bupa Arabia Board review and authorisation process, of the N&RC recommendation approval and supporting materials, which outcome is the formal Board recommendation approval to the public shareholders of Bupa Arabia, via a formal General Assembly meeting decision,
5. Implemented after the completion of all the relevant internal and external approvals, including the approval of this specific policy, where required and applicable.

Board Member Remuneration Policy

▪ Board member remuneration

- The maximum amount payable shall not exceed the maximum specified by the Company Law,
- A minimum attendance of two thirds of the meetings held during the period shall be achieved for the Board member to be entitled to the annual remuneration for the period,
- The annual remuneration amount will be pro-rated based on the joining and departure date of the Board member (provided that the minimum two thirds attendance of the meetings held between the joining and departing date during the period has been achieved),
- The annual remuneration amount will be settled quarterly in arrears, i.e. one quarter of the annual remuneration amount will be paid in the month after the calendar quarter is completed, as per the below:
 - First quarter's 1/4 of the annual remuneration – to be paid in April
 - Second quarter's 1/4 of the annual remuneration – to be paid in July
 - Third quarter's 1/4 of the annual remuneration – to be paid in October
 - Fourth quarter's 1/4 of the annual remuneration – to be paid in January
- Where any member has not fulfilled the required minimum two thirds attendance of the meetings, or where the shareholders do not in the General Assembly meeting approve the remuneration, the member will be required to refund Bupa Arabia any excess amounts that the member has received.
- Remuneration is on a total annual remuneration fixed amount basis, with no attendance fees, in accordance with the following:
 - The Board Chairman: capped at SR500,000 per annum (p.a.)
 - A Board member who is Chairman of more than one Committee: capped at SR425,000 p.a.
 - A Board member who is a Committee Chairman: capped at SR375,000 p.a.
 - A Board member who is a Committee Member: capped at SR300,000 p.a.
 - A Board member not on a Board Committee: capped at SR200,000 p.a.

Travel and expense reimbursement:

Travel and associated expenses are not included within the annual remuneration fixed amount and these expenses are reimbursable as per the following, in accordance with the Bupa Arabia Travel Policy:

- Business Class air ticket,
- Hotel accommodation as approved in advance by Bupa Arabia,
- Associated standard business travel costs,
- Transportation,
- Telephone cost relating to Board teleconference calls where unavoidable and required.
- Travel expenses will be reimbursed in arrears, and within fourteen days, following the receipt of the actual invoices.

Travel expenses of Board members will be reviewed and approved by the Company Board Secretary, or the Chief Risk Officer.

Effective date:

The effective date of this policy is the date of the General Assembly meeting in which the public shareholders formally approve this policy.

For future amendments the effective date of all future Board Member Remuneration Policy changes, provided not contravening any laws or regulations of Saudi Arabia, nor contravening the Bupa Arabia Company By-Laws, will be as per the approval of the Board of Directors, subject thereafter to the ratification approval of the public shareholders in the next General Assembly meeting.



Bupa Arabia Policy

Board Committee Member Remuneration Policy

Board Committee Member Remuneration Policy

Purpose

This policy defines the remuneration of Bupa Arabia's Board Committee members in line with market practice and the regulations and laws of Saudi Arabia. The policy aims at attracting the right calibre of person to fulfil the roles and responsibilities of the respective Board Committee.

The Board is responsible for approving this policy, subject thereafter to the public shareholders' approval via a formal General Assembly meeting, where required and applicable.

Scope

This policy is applicable to Bupa Arabia Board Committee Members' Remuneration only.

Standards and regulations

The policy and procedures 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, the regulation on corporate governance issued by the Capital Market Authority (CMA), the Saudi Arabian Monetary Authority (SAMA) insurance corporate governance rules and regulations, and any other relevant regulations.

Policy requirements

Bupa Arabia's Board Committee Member Remuneration policy requirements are to ensure that they are:

1. Within the parameters of Saudi Arabia's laws for Saudi joint-stock companies,
2. Within the parameters of Bupa Arabia's Company By-Laws, as approved by the regulators, and the public shareholders, where required and applicable,
3. Proposed for the approval of the Board via a formally documented Bupa Arabia Nomination and Remuneration Committee (N&RC) market and industry bench-marking review and authorisation process, which outcome is the formal N&RC recommendation approval to the Board of Directors of Bupa Arabia,
4. Proposed for the approval of the public shareholders via a formally documented Bupa Arabia Board review and authorisation process, of the N&RC recommendation approval and supporting materials, which outcome is the formal Board recommendation approval to the public shareholders of Bupa Arabia, via a formal General Assembly meeting decision,
5. Implemented after the completion of all the relevant internal and external approvals, including the approval of this specific policy, where required and applicable.

Board committee member remuneration

- The maximum amount payable shall not exceed the maximum specified by the Company Law,
- A minimum attendance of two thirds of the meetings held during the period shall be achieved for the Board Committee member to be entitled to the annual remuneration for the period,
- The annual remuneration amount will be pro-rated based on the joining and departure date of the Board Committee member (provided that the minimum two thirds attendance of the meetings held between the joining and departing date during the period has been achieved),
- The annual remuneration amount will be settled quarterly in arrears, i.e. one quarter of the annual remuneration amount will be paid in the month after the calendar quarter is completed, as per the below:
 - First quarter's 1/4 of the annual remuneration – to be paid in April
 - Second quarter's 1/4 of the annual remuneration – to be paid in July
 - Third quarter's 1/4 of the annual remuneration – to be paid in October
 - Fourth quarter's 1/4 of the annual remuneration – to be paid in January
- Where any member has not fulfilled the required minimum two thirds attendance of the meetings, or where the shareholders do not in the General Assembly meeting approve the remuneration, the member will be required to refund Bupa Arabia any excess amounts that the member has received.
- Remuneration is on a total annual remuneration fixed amount basis, with no attendance fees, in accordance with the following:
 - The Audit Committee (AC) Chairman: capped at SR175,000 per annum (p.a.)
 - The Chairman of any other Board Committee: capped at SR150,000 p.a.
 - An AC member capped at SR125,000 p.a.
 - A Committee member of any other Board Committees: capped at SR100,000 p.a.
 - Where any of the above members are also a member of more than one Committee the cap will increase by an additional maximum amount of SR50,000 p.a. due to the additional responsibility, as reflected below:
 - AC Chairman a member on other Committee(s): capped at SR225,000 p.a.,
 - Other Board Committee Chairman on other Committee(s): capped at SR200,000 p.a.
 - An AC member on other Committee(s): capped at SR175,000 p.a.
 - A non-AC member who is member of more than one Committee: capped at SR150,000 p.a.

Travel and expense reimbursement:

Travel and associated expenses are not included within the annual remuneration fixed amount and these expenses are reimbursable as per the following, in accordance with the Bupa Arabia Travel Policy:

- Business Class air ticket,
- Hotel accommodation, as approved in advance by Bupa Arabia, ,
- Associated standard business travel costs,
- Transportation,
- Telephone cost relating to Board teleconference calls where unavoidable and required.
- Travel expenses will be reimbursed in arrears, and within fourteen days, following the receipt of the actual invoices.

Travel expenses of Board Committee members will be reviewed and approved by the Company Board Secretary, or the Chief Risk Officer, after the approval of the respective Committee Secretary.

Effective date:

The effective date of this policy is the date of the General Assembly meeting in which the public shareholders formally approve this policy.

For future amendments the effective date of all future Board Committee Member Remuneration Policy changes, provided not contravening any laws or regulations of Saudi Arabia, nor contravening the Bupa Arabia Company By-Laws, will be as per the approval of the Board of Directors, subject thereafter to the ratification approval of the public shareholders in the next General Assembly meeting.



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.
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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

Board and Board Committee Member Nomination and Appointment Policy and Procedure

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 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

Board and Board Committee Member Nomination and Appointment Policy and Procedure

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

Board and Board Committee Member Nomination and Appointment Policy and Procedure

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.

Board and Board Committee Member Nomination and Appointment Policy and Procedure

- 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 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 and Board Committee Member Nomination and Appointment Policy and Procedure

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.

Board and Board Committee Member Nomination and Appointment Policy and Procedure

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

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. - 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>
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; - 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
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 - Have not owned, worked as an Executive or been a Board Member in a company that its license was revoked or declared bankrupt

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 <p>Strong proficiency of the English language is a must</p>

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

Chief Executive Team (CET) Member Remuneration Policy

Purpose

This policy defines the remuneration of Bupa Arabia's CET members in line with market practice and the regulations and laws of Saudi Arabia. The policy aims at attracting the right calibre of person to fulfil the roles and responsibilities of the respective CET members, whilst ensuring healthy, quality, sustainable long term growth of the business and creation of Shareholders' value.

The Board is responsible for approving this policy, subject thereafter to the public shareholders' approval via a formal General Assembly meeting, where required and applicable.

Scope

This policy is applicable to Bupa Arabia's Chief Executive Team (CET) Member Remuneration only.

Standards and regulations

The policy and procedures 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, the regulations on corporate governance issued by the Capital Market Authority (CMA), the Saudi Arabian Monetary Authority (SAMA) insurance corporate governance rules and regulations, and any other relevant regulations.

Policy requirements

Bupa Arabia's CET Member Remuneration Policy requirements are to ensure that they are:

- Within the parameters of Saudi Arabia's Labour Laws, per the Ministry of Labour, and for Saudi joint-stock companies, where required and applicable.
- Within the parameters of Bupa Arabia's Company By-Laws (Articles), as approved by the regulators, and the public shareholders, where required and applicable.
- Proposed for the approval of the Board via a formally documented Bupa Arabia Nomination and Remuneration Committee (N&RC) market and industry bench-marking review and authorisation process, which outcome is the formal N&RC recommendation approval to the Board of Directors of Bupa Arabia.
- Proposed for the approval of the public shareholders via a formally documented Bupa Arabia Board review and authorisation process, of the N&RC recommendation approval and supporting materials, which outcome is the formal Board recommendation approval to the public shareholders of Bupa Arabia, via a formal General Assembly meeting decision.
- Implemented after the completion of all the relevant internal and external approvals, including the approval of this specific policy, where required and applicable.

CET member remuneration philosophy

Bupa Arabia's CET member remuneration philosophy is to:

- Attract, retain and motivate high calibre senior executive employees who are connected to, and inspired by our Purpose and Values.
- Encourage a sense of ownership by creating a working environment that motivates high performance so that senior executive employees can positively contribute to the strategy, vision, goals and values of Bupa Arabia.
- Employ people, with terms and conditions based on local market practices and laws.
- Ensure our philosophy, supported by a robust performance management practice, strives to set our employees' total remuneration packages at competitive levels by benchmarking them to the market and ensuring fair compensation in line with agreed performance outcomes.
- Have the fixed (guaranteed) component of the reward including a base salary and with associated benefits that are normally set at market median level of 62.5% for the CET member level and which maximum amount payable shall not exceed any maximum specified by the Company Law or any other Saudi Arabia regulations.
- A culture and environment where there is open and transparent collective focus on individual and team performance, potential and growth.
- Complete alignment to the overall business strategy, objectives and values of Bupa Arabia, without being detrimental to the interests of any of our stakeholders.
- Balance remuneration and short term rewards with the long term objectives and risk management of the Company.

CET member key remuneration principles

Bupa Arabia's CET Member Remuneration Policy is based fundamentally on the following principles:

- Policy, procedures and practices consistent with, and supportive of, best practices of global and major local companies in Saudi Arabia.
- Ensure that remuneration considerations are in line with the risk strategy of the Bupa Arabia.
- Members are compensated with a base salary and where housing and transportation are fixed amounts tied to the CET member grade.
- Members are also rewarded with variable, short, long-term and intangible rewards (when applicable and in line with market practice).
- Total remuneration (base salary, annual bonus, benefits and incentives) is targeted in normal market conditions to the relevant competitive market at the upper quartile levels for superior performance.
- Performance bonuses, whether annual or longer term, are awarded based on the Company's results and the individual CET member's performance rating(s).
- The Long-Term Incentive Plan (LTIP), which approved by the shareholders in the General Assembly meeting, as required by Saudi Arabia regulations, will be available to CET members, in line with its requirements for eligibility, and will be linked to the longer term plans and targets of the Company.

Chief Executive Team (CET) Member Remuneration Policy

- The option to pay a low or 'no performance' annual bonus, or LTIP award, should the performance of the Company, or individual performance ratings, warrant this, will be at the discretion of the Company, and be governed by the normal Nomination and Remuneration Committee authority, whether express or through its recommendation to the Board, and thereafter the Board's authority, provided within the scope of this policy as approved by the General Assembly.
- Incentives are based on targets that are stretching, verifiable, relevant and contain multiple performance measures, include internal control and risk management performance measures, and are all calibrated to ensure fairly applied and facilitate objective outcomes.
- Performance measures take into account both quantitative (financial) as well as qualitative factors and are consistently calculated through the phases of the performance cycle. Benefits are applied in line with our internal policies and procedures for all employees, in line with the Company's Human Resources Policy, where applicable, and in line with best market practices.

Disclosure

Ensure CET member remuneration is appropriately disclosed in adherence to the CMA Corporate Governance Regulations and all other applicable Saudi Arabia regulatory requirements.

Implementation

The Bupa Arabia Nomination and Remuneration Committee (N&RC) will be responsible for recommending this policy for the Board's approval to the General Assembly, in accordance with the N&RC activities as defined by the N&RC Charter, and which includes the approval of the annual CET remuneration packages (including salary, short-term, long-term incentives and benefits), in accordance with its authority as delegated to it by the Board through the Board's Schedule of Matters Reserved for the Board.

Review and Effective date

The N&RC is responsible for periodically reviewing this remuneration policy and assessing its effectiveness in line with Bupa Arabia's corporate strategy and objectives.

The effective date of this policy is the date of the General Assembly meeting in which the public shareholders formally approve this policy.

For future amendments the effective date of all future CET Member Remuneration Policy changes, provided not contravening any laws or regulations of Saudi Arabia, nor contravening the Bupa Arabia Company By-Laws, will be as per the approval of the Board of Directors, subject thereafter to the ratification approval of the public shareholders in the next General Assembly meeting.



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)



Table of Contents

1. Approach to Corporate Governance, and Corporate Governance Standards	3
2. Commitment to Corporate Governance	3
3. Definitions and Acronyms	4
4. Board Related Responsibilities	8
4.1 Of the Board, including the Board Charter, and the Schedule of Matters Reserved for the Board (SMRB)	8
4.2 Of the Chairman, and Vice-Chairman, of the Board	9
4.3 Of the Chief Executive Officer (CEO)	10
4.4 Of the Members of the Board	11
4.5 Of the Independent Board Members	13
4.6 Of the Company Board Secretary (Co.Sec.)	14
5. Responsibilities of the Audit Committee (AC)	16
6. Responsibilities of the Other Board Committees	16
7. Responsibilities of the Management	17
8. Responsibilities of the Control Functions	19
9. Responsibilities of the Independent Functions	22
10. Responsibilities of the Appointed Actuary	25
11. Disclosure & Transparency	25
12. Treatment of Shareholders and Protection of Minority Shareholder Rights	27

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

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 recognised 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 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;

"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;

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)



"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;

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

"CSO" – Chief Strategy Officer (CSO) – member of the CET and highest ranking Strategy role in the Company, or Chief Sales Officer (CSO) – member of the CET and highest ranking Sales role in the Company;

"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;

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)



"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 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;

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)



- 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;

“N&RC” - 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;

“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;

“RTRD” – Resilience and Technology Risk 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 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

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)



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.

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.

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)



- 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.

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.

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)



- h) Ensuring the Company appoints, and thereafter executes, the roles and responsibilities of the independent external actuary, as required by the regulations.
- 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 Secretariat, 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 complied 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.
- 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.

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)



- 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).
- l) Participating in developing succession and replacement plans of the executive positions within the company, in coordination with the N&RC 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) After accounting for the recommendations of the N&RC:
 - 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.
- p) 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.
- q) 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.

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:

- 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:

- 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 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:

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)



- 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).
- 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.

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)



- 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.
- 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

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)



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.

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 (N&RC) – 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 and emergency administrative circumstances and implementing them.
- 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.

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)



- 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 organisational 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 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 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.
- 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).

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)



- 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:

- 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

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)



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.
- 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.

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)



- 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 Resilience & Technology Risk Department (RTRD):

The RTRD's principal role is to provide second line of defence business support, challenge and recommendations with respect to the Company's 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
- 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.

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)



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 providing the company's staff with the necessary guidance and education to combat money laundering, terrorism financing and other sorts of financial and non-financial crimes.
- f) Assessing the business's various departments / units with regard to regulatory compliance by conducting a thorough and precise inspection and examination of current applied key processes including interviewing management and staff members and examining documents provided, in addition to highlighting areas of concern.
- g) Delivering and/or facilitating a set of sessions to ensure that all of Bupa Arabia's people receive the appropriate and required regulatory trainings relevant to their roles and responsibilities.
- h) Assisting the Customer Service Department in the effective management and/or decreasing of the number of complaints per year.
- i) Ensuring that all significant regulatory incidents are reported to Centre Compliance in line with the Critical Incidents Policy.
- j) Reporting significant compliance risk exposures and control issues identified to the Board, Audit Committee and to Executive/Senior Management.
- k) Annually reviewing the Annual Board Report (ABR) and ensuring that it meets all the SAMA related regulatory requirements.

9.2 Internal Audit Department (IAD):

The IAD is an independent and objective assurance and consulting activity that is guided by a philosophy of forming part of Bupa Arabia's governance and systems of internal controls.

The primary role of the IAD is to help the Board, and the AC to protect the assets, reputation and sustainability of the organization. The IAD will achieve this through assessing whether key significant risks are identified and appropriately reported to the Board and the AC, assessing whether they are adequately controlled, and by assisting Executive Management to improve the effectiveness of governance, risk management and internal controls.

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)



In its capacity of "third line of defense" it assists Bupa Arabia in accomplishing its purpose of "longer, healthier, happier lives" by bringing a systemic and disciplined approach to evaluate and improve the effectiveness of the organization's risk management, control, and governance processes.

The IAD reports directly to the AC and its structure, roles and responsibilities are authorised by the AC. The structure encompasses talent of audit professionals experienced in Financial, Operational, Compliance and IT audits.

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

- 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. Responsibilities of the Appointed Actuary

The Appointed Actuary shall be an independent third party actuary who has been authorised by the relevant regulators to discharge the regulatory required independent actuary responsibilities, as stipulated in the laws and regulations.

In addition to any other regulatory or supervisory requirements the principal role, duties and responsibilities of the Appointed Actuary include, but are not limited to:

- a) Reviewing and validating, where required and applicable, the Claims reserves and claims provision principles, in accordance with all the SAMA regulations, for the Annual Financial Statements (AFS), and quarterly Interim Condensed Financial Statements (IFS), and interaction with the Company's external auditors relating to the same;
- b) Attending the Company's Board meeting(s), each year, to present an accurate and factually correct assessment, as required by the SAMA regulations, of the Company's:
 - Annual Financial Condition Report (FCR),
 - Assessment of the Medical Expenses Pricing and Underwriting Practices
- c) Any other responsibilities as may be agreed between the Company and the Appointed Actuary and including, but not limited, to the following reporting deliverables:
 - The Medical pricing and cross subsidization report.
 - The Annual Financial Condition report (FCR).
 - The Actuary's Quarterly validation reports, relating to the Company's quarterly interim condensed financial results, and associated data review reports, and including liaison with the Company's joint external auditors where required.
 - Asset mismatching reserve reports.
 - Performance analysis reports.
- d) Any other responsibilities as required by the laws or regulations relating to the Appointed Actuary.

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

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)



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.
- 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.

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 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)



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.

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.



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

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

<p>recommendation approval of the Board after SAMA no-objection, which following the Bupa Arabia Nomination and Remuneration Committee (N&RC) approval recommendation to SAMA, in terms of Bupa Arabia's public shareholder approved Board and Board Committee Member Nomination and Appointment Policy and Procedure, and its associated standards and requirements. The Membership of the Board is re-established for every Board term and which Board term cannot exceed the maximum of three (3) years allowed by the Company Law. To be nominated and appointed as a Board member the candidates' information must be published on the Tadawul website and the GA may only vote for candidates who have been nominated for appointment as per the Tadawul invitation. The Board member appointments are authorised by the public shareholders, in the GA meeting, through the cumulative voting process.</p> <p>The Company shall notify the CMA of the names of the Board members and their memberships within five (5) days of the commencement of the new Board term, or from the date of their appointment, whichever has occurred first.</p>
<p>The Chairman, Vice-Chairman and CEO are appointed by the Board, from the Board members elected by the public shareholders, subject to SAMA no-objection. The Chairman and the Vice-Chairman must be Non-Executive Board Members and their roles and responsibilities must not be combined with, nor overlap with, those of the CEO. The Company Board Secretary is appointed by the Board.</p>
<p>This Board Charter, and also the Company's Code of Corporate Governance (CCG), contains more details on these role responsibilities.</p>
<p>Knowledge – The Board shall ensure that the Board, Board Committee, Chief Executive Team (CET) members, and Executive Management members, through the N&RC, are appropriately qualified to discharge their responsibilities, through having appropriate: selection and approval processes, member induction/training programs, member development training and Company Secretariat support. The programs shall cover the Company's strategy/objectives, financial and operational aspects, the obligations, duties, responsibilities and rights of Board Members, and the duties and competencies of the Board and Board Committees.</p> <p>Board Members are required to be professionally capable, and have the required experience, knowledge, skills, qualifications, and independence, all in compliance with all the various regulatory requirements of Saudi Arabia, and/or as specified within the Company's GA approved Nomination and Appointment Policy and Procedure, so as to be able to perform his/her duties effectively.</p>
<p>Confidentiality – Board Members must sign a Confidentiality Agreement with the Company and at all times maintain the strictest confidentiality of all matters discussed through, or associated with, the Board's activities, even after vacating the Board Membership.</p>
<p>Disclosure of Interests – Board members must disclose any direct or indirect interest in the Company's business and insurance contracts concluded by it and such interests shall be authorised by the public shareholders in the GA meeting(s). Board members must ensure that they comply with the Company's Conflict of Interest Policy and in particular ensuring the Company is maintained up to date at all times, through informing the Company Board Secretary promptly, of all actual, and potential, conflicts of interest and/or related party transactions, as and when any changes occur.</p>
<p>Board members shall not take part in any business that competes with the Company nor trade in the activities</p>

performed by the Company. The Company has the right to claim indemnification for any losses caused by such business or act.
Each Board member shall disclose to the Board, and be reflected formally within the Board minutes, and be approved by the public shareholders in the GA meeting(s):
a) Any personal financial interest in any matter including, but without limitation to, related party transactions, business and family interests, and
b) Any potential conflict of interest arising from a cross-directorship.
Any such Board member shall abstain from voting on the relevant resolutions in relation to which such interest exists and from participating in the discussions concerning such resolutions.
Board member independence - The Board shall annually, through the Nomination & Remuneration Committee's (N&RC) independence evaluation processes, in accordance with all Saudi Arabia's regulations, wherever required and applicable, evaluate the extent of the Board member's independence and ensure that there are no relationships or circumstances that affect or may affect his/her independence.
Board membership review and assessment – The Board shall review the membership of the Board through an annual Board evaluation process, through the N&RC and which will include a performance assessment covering the skills and experience, strengths and weaknesses, of the Board and shall attempt to resolve any weaknesses to improve the Board's performance.
Individual assessment of board members will take into account the extent of effective participation, commitment in performing duties and responsibilities and attendance at Board and Committee meetings.
The Board size and composition shall be formally evaluated, and amended if deemed applicable, prior to the commencement of each new Board term.
Every three years, the Board must appoint a competent third party to carry out a performance based assessment.
The Board members (without the presence of the Board Chairman), and supported by the N&RC, and the Company Board Secretary, where required and applicable, shall complete a periodic assessment of the performance of the Board Chairman by gathering opinions from amongst the members, in accordance with the Saudi Arabia regulations.
The outcome of the performance reviews will be in writing and circulated to the Board Members and parties concerned with the assessment.
Company Board Secretary – The Company Board Secretary, with relevant experience, shall be appointed by the Board from the Company's staff and shall not be the Secretary of the Audit Committee.
Board Members' Compensation – Members of the Board shall be eligible for annual compensation. The compensation shall be in line with the Board Member Remuneration Policy as shall be approved by the GA.

<p>Company Board Secretary Compensation - The Company Board Secretary shall be eligible for remuneration for carrying out the functions of each Board meeting and the amount of such compensation shall be approved by the Board.</p>
<p>3. Meetings</p>
<p>Frequency – Board meetings shall not be held less than six (6) times a year and not less than once per calendar quarter and attendees and matters discussed must fulfill all laws and regulations. In addition to the minimum of six (6) meetings per annum the Non-Executive Board members shall meet at least once per annum without the members of management, but may invite the Company Board Secretary, Chief Risk Officer, and management control leads, to attend this meeting, or part of it, as required.</p>
<p>Quorum – The quorum of any Board meeting shall comprise a minimum attendance of fifty (50) percent of the Board members provided the Chairman, or Vice-Chairman, of the Board are amongst the fifty (50) percent. Members may participate by face-to-face meetings between the members, and/or by teleconference or videoconference, and be counted in the quorum and considered to have attended the meeting. A Board member who has apologized and does not attend the meeting may provide his proxy to another Board member to vote on his behalf at the Board meeting with the proviso that no attending Board member may have more than one proxy provided to him and that preferably an Independent Board member would provide their proxy to another Independent Board member. In the event a Board member holds a proxy and is conflicted the Board member may not use the proxy vote on the voting on the conflicted matter.</p>
<p>Attendance – Only Board Members and the Company Board Secretary are entitled to attend the Board meetings. The Board Members, provided approved by the Board Chairman, shall have the discretion to invite any other person(s) to attend all or part of any Board meeting, where it considers it appropriate. All Board members shall make every effort to attend all Board and in particular the independent Board members should attend the Board meetings in which important and material decisions affecting the position of the Company are made.</p>
<p>In the absence of the Board Chairman, the Board Vice-Chairman shall preside over the Board meeting, or in the absence of both the Board Chairman will designate an independent Board member to be the Chairman of the Board meeting.</p>
<p>As a minimum, the Chairman of the Audit Committee (AC) shall attend the Board meeting at which the Annual Financial Statements (AFS) and Annual Board Report (ABR) are approved by the Board.</p>
<p>Voting – The Board's decisions shall be issued by the majority vote of the Board members in attendance, whether attending face-to-face, by videoconference or teleconference, or by having provided a proxy to another Board member, and, in the case of a decision having equal votes, the vote of the Board's Chairman shall give preponderance to the decision, provided that the Board meeting minutes note the views of the other Board members.</p>
<p>4. Proceedings</p>
<p>Notice – The Board shall meet upon the invitation of its Chairman or upon the request of two members. Notice of each meeting confirming the date, time and venue shall be circulated by the Company Secretary, or his designated</p>

representative, to all members of the Board, and to other attendees (if appropriate), as far in advance as possible before each meeting (no less than five (5) days). The Company Board Secretary shall ensure that at least the regulatory minimum required Board meetings for the following year are scheduled in the preceding year.
Agenda – The Company Board Secretary, or his designated representative, shall circulate the agenda as far in advance as possible, (no less than five (5) days), of the Board meeting for the Board members to confirm and any Board member is entitled to request an addition to the agenda and for the Board Chairman to approve the addition of the same.
Supporting Papers – The Company Board Secretary shall circulate the supporting documentation to the Board members a reasonable period in advance of each meeting (no less than 5 days prior to the date of the meeting).
Duration – Sufficient time should be allowed in the Board meeting to enable the Board to undertake as full a discussion as may be required.
Minutes – The Company Board Secretary shall ensure Board minutes and appropriate Board resolutions are produced and authorised for every Board meeting and that these are formally documented in writing and that they are formally authorized through ratification during the following Board meeting, by the individual Board members who attended the Board meeting, and also the Company Board Secretary, physically signing the Board meeting minutes and the Board resolutions. The Board minutes must also include the recording of the names of those present and in attendance, even if only for partial attendance. Minutes of meetings shall be circulated to the Board members as soon as practicable following the Board meeting and within a period not exceeding fifteen (15) days.
5. <u>Authorities and Board Reserved Matters</u>
The Board is the ultimate authorised Company decision making body on all matters of significance to the Company, as defined by the Company, with the exception of those matters specifically reserved, whether by the Company's articles of association and regulatory licenses, or whether by the laws, or the regulations of the country, to the public shareholders via the General Assembly Meeting. Matters of significance shall include, but not be limited to, such matters deemed significant by the Board due to the strategic, financial, governance, internal control, reputational, regulatory or other implications or consequences.
In order to ensure the efficiency of the Company decision making processes, and the internal controls and 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 through the CEO CET members of the business.
The delegation of Board authorities to the Board Committees, and the CEO, are contained within the Board Delegated Authorities Framework (DAF) which is approved by the Board. The Charters of the different Board Committees contains each of the Board Committees' authorities, roles, responsibilities and other matters and are authorised by the Board, after the recommendation approval of the relevant Board Committee for its own Charter, and subject to regulatory approval, and public shareholder approval, where applicable.
The Board Delegated Authorities Framework (DAF) will be reviewed and approved annually by the Board and

maintained current by the Company Board Secretary and the Chief Risk Officer.
The Schedule of Matters Reserved for the Board (SMRB), and matters delegated to the various Board Committees, is contained within Appendix 1 of this Board Charter.
<p>The Charters of the Company's various Board Committees, and which are listed below, are contained within the Company's Corporate Governance Framework (CGF), as opposed to being repeated within this Board Charter. The Board Charter and the Audit Committee Charter are both components of the Company's Code of Corporate Governance (CCG).</p> <ul style="list-style-type: none"> • Audit Committee (AC) • Executive Committee (EC) • Investment Committee (IC) • Nomination and Remuneration Committee (N&RC) • Risk Management Committee (RMC)
6. <u>Roles, Duties and Responsibilities</u>
<p>The principal roles and responsibilities of the Board, Chairman and Vice-Chairman, CEO, Directors, Company Board Secretary and Management are contained within the Company's Code of Corporate Governance (CCG) and the core duties and responsibilities of the Board include, but are not limited to:</p>
<ul style="list-style-type: none"> a) Providing strategic guidance, including setting objectives and formulating strategic plans. b) Supervising the implementation of strategic plans and major transactions and reviewing them periodically to ensure the human and financial resources are available to fulfil them. c) Approving key policies and procedures and regularly reviewing and updating them, which to include setting a comprehensive strategy, key business plans, policies, the mechanisms of risk management, determining the most appropriate capital structure, financial objectives, approving budgets, overseeing the main capital expenditures, the acquisition/disposal of assets, setting performance indicators, and monitoring the implementation thereof and the overall performance of the Company, reviewing and approving the organizational and human resource requirements and ensuring the financial and human resources required for achieving the objectives and main plans of the company are available. d) Setting the values and standards that govern the Company's culture and operations through implementing Codes of Conduct which in adherence to regulations and best practice. e) Establishing and monitoring the Company's internal control system and ensuring its adequacy and effectiveness including reviewing the effectiveness of the Company's internal control procedures on an annual basis with the support of the Audit and Risk Management Committees. f) Defining strategic risks, establishing and monitoring a risk management system, where risks are defined, assessed, managed, and monitored on a continuous basis. g) Establishing and monitoring the Company's corporate governance system and ensuring its adequacy and effectiveness. h) Promoting higher standards of corporate governance and ensuring compliance with applicable laws and regulations at all times. i) Selecting and changing (if needed) executives in key positions, and ensuring that the Company has an appropriate succession planning policies, and leadership development programs, for their replacement by an

- appropriate alternative with the necessary skills, experience and eligibility for the role.
- j) Reviewing and approving business plans and annual budgets, including the setting of performance objectives and key performance indicators (KPIs) and monitoring the performance of the Company and the Senior Management against the performance objectives set by the Board.
 - k) Ensuring the accuracy and integrity of the Company's accounting and financial reporting systems and the appropriateness of its disclosure and transparency processes.
 - l) Overseeing the management of the Company's finances, its cash flows as well as its financial and credit relationships with third parties.
 - m) Ensuring that the interests of the shareholders, policyholders, employees, suppliers, regulators and any other stakeholders, are being protected at all times.
 - n) Maintaining a strong line of communication with the External Auditors.
 - o) Reviewing the Company's Interim Condensed Financial Statements (IFS), and AFS, and related party transactions contained therein, and approving them before publication, after the recommendation of the AC, subject to shareholder approval where applicable.
 - p) Reviewing the Company's ABR and approving it before publication, after the recommendation of the AC, subject to shareholder approval where applicable.
 - q) Reviewing the proposed appointment of the joint external auditors, and approving it, after the recommendation of the AC, subject to shareholder approval where applicable.
 - r) Forming specialised Board Committees, pursuant to Board approval, in accordance with regulatory requirements, including the approval of the Board Committee Charters, and which shall specify the membership size, term, powers and responsibilities of such Board Committees as well as the processes for the Board to monitor such Board Committees.
 - s) Ensuring transparency in Board Member and Board Committee member appointments through formally documented Board and Board Committee Member Nomination processes
 - t) Ensuring, through the N&RC's activities, and the GA approved relevant remuneration policies, that appropriate Board Member Remuneration, Board Committee Member Remuneration, Chief Executive Team Remuneration, and Company Employee Remuneration policies and procedures are in place, aligned with Corporate performance, and approved through the correct authorisation protocols, including regulatory and/or public shareholder approval via General Assembly, where applicable.
 - u) Maintaining a high degree of integrity throughout the company through monitoring conflicts of interest and related party transactions and implementing an appropriate Code of Conduct (Ethics) and implementing a Conflicts of Interests Policy.
 - v) Developing effective communication channels to ensure shareholders are continuously and periodically able to review the various aspects of the Company's business and any material developments and ensuring the availability of such information, to all shareholders, at the same time, of the complete, clear, accurate and non-misleading information so as to enable all shareholders being able to properly exercise his/her rights.
 - w) Setting policies and procedures to ensure compliance with the Saudi Arabia laws and regulations to disclose material information to shareholders and stakeholders, and ensuring the compliance of the Executive Management with these policies and procedures.
 - x) Developing a written policy that regulates the relationship with Stakeholders.
 - y) Reviewing and ensuring the appropriateness of the information and materials communicated to the shareholders, including for press releases on matters decided by the Board and for the general assembly meetings
 - z) Setting forth and approving the specific and explicit policies, standards and procedures for membership in the Board, Board Committees, and CET, and the associated remuneration policies, based on the recommendation

Bupa Arabia Board Charter

Version: **2**

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Board Approval date: **30 November 2017**

General Assembly Approval date: **30 November 2017**

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<p>of the N&RC, and implementing them following the approval of the GA.</p> <p>aa) Providing recommendation to the Extraordinary GA regarding the increase or decrease of the share capital and dissolving the Company before the end of its term or deciding the continuity of the Company.</p> <p>bb) Providing recommendation to the Ordinary GA regarding the use of the reserves of the Company, if applicable/having been formed by the Extraordinary GA, or forming additional financial allocations or reserves for the Company, or for approval of the GA, and the method(s) of distributing the net profits of the Company.</p> <p>cc) The Board shall hold periodic meetings, at least annually, or in line with the Saudi Arabia regulations as required and applicable, without any management of the business, including without the CEO.</p>
<p>dd)</p> <p>Further duties, tasks and responsibilities that Board members may carry out can be found within the Company CCG and the relevant Saudi Arabia Corporate Governance Regulations and/or Company Law, as applicable.</p> <p>The Company shall ensure to distribute the duties between the Board, Board Committees, CET and the Executive Management in accordance with the best practices of Corporate Governance, and in accordance with all the relevant Saudi Arabia regulations, so as to ensure the efficiency of the Company's decision making and to achieve a balance of power and authority across the Board, Board Committees, CET and the Executive Management.</p>
<p>Executive Management Duties - The Executive Management shall be responsible for implementing the plans, policies, strategies and main objectives of the Company in order to achieve its purposes and the Board shall form the Executive Management of the Company, with the support of the N&RC, and thereafter regulate its operating procedures, monitor and oversee it and ensure that it performs the duties assigned to it, and to achieve this, the Board shall, supported by the relevant Board Committee where required and applicable:</p> <ol style="list-style-type: none"> 1. Developing the necessary human resource, financial, and other policies, 2. Ensuring that the Executive Management operates in accordance with the policies approved by the Board 3. Selecting and appointing the CFO of the Company, and overseeing his/her work, 4. Appointing the leader of the Internal Audit Department (IAD), and dismissing him/her, and determining his/her remuneration, based on the recommendation of the AC, and receiving the written reports of the IAD on at least a quarterly basis, 5. Convening periodic meetings with the Executive Management to explore work progress, any obstacles/problems in executing its responsibilities, and review and discuss key information in respect of the Company's operations, 6. Developing standards for the performance of the Executive Management consistent with the objectives and strategy of the Company, 7. Reviewing and evaluating the performance of the Executive Management, 8. Developing succession plans for the management of the Company. <p>The Executive Management shall be responsible for implementing the plans, policies, strategies and main objectives of the Company in order to achieve its purposes and its duties and responsibilities are further defined within the Company CCG.</p>
<p>7. <u>Reporting and Evaluating Performance Responsibilities</u></p>

The Board is responsible for receiving the Chairman, or the Secretary, of the Board Committees' reports to the Board, on the recommendations and proceedings of each Board Committee meeting, including receiving the Board Committees' meeting minutes, and monitoring and evaluating the performance of each Board Committee in line with the Board Committee Charters, as well as the authorities delegated to the Board Committee by the Board.
The Board is responsible for ensuring it receives sufficient information, and materials, from the CEO and the Management of the Company, through the Company Board Secretary, to enable it to monitor and evaluate the performance of the Company, the CEO and the Management.
Recommendations – The Board shall make whatever recommendations to the Board Committees, CEO and Management which it considers appropriate on any area where it deems action or improvement is necessary.
Annual Board Report (ABR) and Annual Report and Accounts (ARA) – The Board shall review and authorise, based on the recommendation of the AC, and the Company Board Secretary, as appropriate and applicable, in terms of the Schedule of Matters Reserved for the Board (SMRB), and the Board Delegated Authorities Framework (DAF), the ABR and ARA which are reported externally, whether through Tadawul, the Company website, or to the public shareholders in the GA meeting(s).
General Assembly (GA) Meetings – All the Board members, and in particular the Board Committees' Chairmen, or Committee member delegated by the Committee Chairman if applicable, must attend the Company's GA Meetings so as to be available to respond to any questions of the Shareholders on the Company, Board, Board Committee and Management's respective activities and areas of responsibility.
Evaluation of Performance – In order to ensure that it is operating at maximum effectiveness, the Board shall annually, through the N&RC, via the Company Board Secretary, evaluate its own performance of achievement against the duties and responsibilities as specified in the Board Charter and within the Company's CCG.
8. <u>Review and approval of the Board Charter</u>
The Board approves its Board Charter subject thereafter to the public shareholders approving it during the GA meeting as part of the Company's CCG (GA meeting approval is required by the regulations).
9. <u>Other Matters</u>
Information flows - It is the responsibility of the CET, under the direction and coordination of the Company Board Secretary, to ensure that the Board receives adequate information on a timely basis about the Company's businesses and operations at appropriate intervals and in an appropriate manner to enable it to carry out its responsibilities.
Induction and ongoing training - On appointment to the Board, all Board members shall receive an induction tailored to their individual requirements. The induction shall include meetings with the Company Board Secretary, other Board Members, the CEO, the CET, the Executive Management, the Risk function leaders and the leaders of the Compliance and Internal Audit Departments, key external advisors, and any other appropriate employee, in order to assist Board Members in building a detailed understanding of how the Company's operations and processes operate, as well as the key issues it faces. Also, where appropriate, additional training, and updates on

particular issues shall be provided.
<p>Board Member Access to Independent Professional Advice - All Board members, both executive and non-executive, may obtain independent professional advice in furtherance of their responsibilities or duties as a Board Member when the Board Member believes it is necessary to do so, at the cost of the Company provided that:</p> <ul style="list-style-type: none"> the Board Member reasonably believes that the advice cannot be obtained from or through the Company; before seeking the advice, the Board Member has discussed the issue with the Chairman and/or the CEO (unless the advice the Board Member seeks arises from an unresolved conflict with one or more of those directors in which case such discussion shall be with the Company Secretary and/or the Chief Risk Officer). the Board Member notifies promptly the Chairman, the CEO and the Company Secretary of the nature of the advice received and provides them with copies where such advice is received in writing. The Board first approves the expenditure associated with such independent professional advice, where it exceeds the limit authorised by the Board to the Chief Risk Officer in terms of the Board approved Delegated Authorities Framework (DAF). <p>Procedure for Board Members seeking Independent Professional Advice - where a Board Member feels that he might require independent professional advice he should, where possible, consider whether the advice can be procured on his behalf by or through the Company Secretary or other appropriate non-executive, or executive Board member.</p> <p>Before seeking external advice, unless the issue arises from a dispute or disagreement with the Chairman, the Board Member should always first discuss the issue and the proposal to seek independent advice with the Board Chairman. In addition, unless the dispute is with both of them as well, the Board member should also discuss the issue, before taking the advice, with the CEO.</p> <p>In cases where more than one Board Member feels that external professional advice needs to be taken on the same or a similar issue, the Board members should co-ordinate their instructions to avoid unnecessary expense being incurred. Where possible, the Board Members should agree from whom the advice will be sought and instruct the external professional jointly.</p> <p>The expenditure for any such proposed advice should be pre-agreed, before commitment, and approved by the Chief Risk Officer, in accordance with the Board Delegated Authorities Framework (DAF).</p> <p>Board Member access to Company Officers - Board Members are entitled to full and free access to all the employees and representatives of the Company, including the advisory and support services of the Company Secretary, the Board Committee members and the Board Committee secretaries.</p> <p>Disclosure and Transparency – The Company's approach to Disclosure and Transparency is defined within the Company's CCG, and the Company shall ensure it has a Disclosure Policy, which in Compliance to all the Saudi Arabia laws and regulations, approved by the Board and reflected on the Company's website.</p> <p>Treatment of Shareholders and Protection of Minority Shareholder Rights - The Company's approach to the treatment of Shareholders and Protection of Minority Shareholder Rights is defined within the Company's CCG.</p>

<p>10. Corporate Governance Standards</p> <p>The Company Corporate Governance Standards are defined in the CCG but due to the stand alone nature of the Board Charter are repeated here for ease of shareholder and regulatory reference:</p> <p>Bupa Arabia is committed to implementing and adhering to robust Corporate Governance standards, in accordance with internationally recognised best corporate governance practice, to ensure it succeeds in fulfilling, through its Corporate Governance Framework, Code of Corporate Governance, Board and Board Committees, the five key elements of Corporate Governance:</p> <ul style="list-style-type: none"> a. Strong Commitment to Corporate Governance b. Strong Commitment to world class Board Practices c. Appropriate Control Environments and Processes d. Strong Regime of Disclosure and Transparency e. Protection of all shareholders' rights, including minority shareholders
<p>11. Definitions</p> <p>The standard Company definitions, and acronyms, applicable throughout the Corporate Governance Framework (CGF), CCG, and the Board and Board Committees' Charters, are defined within the "Definitions and Acronyms" section of the Company CCG.</p>

In order to ensure clarity of understanding of the authority of the Board, and support its effectiveness, and the effectiveness of the Company decision making, the Board delegates certain matters to its Board Committees, the Chief Executive Officer (CEO) and the Management of the Company but reserves certain matters for its approval as a Board as a whole, as it considers them sufficiently important that they are not delegated but are fully considered by the whole Board for final decision. Key roles and responsibilities of the Company are detailed within the Company's Code of Corporate Governance and this document details the authority of the Board and the specific "Schedule of Matters Reserved for the Board".

The Board of Directors is ultimately accountable and responsible for the performance, conduct, and regulatory compliance of the Company. Delegating authority to the Board Committees, the CEO, the Company Board Secretary, or Senior Management shall not absolve the Board of its responsibilities. The Board is also responsible for the performance of third parties engaged to perform activities or to manage functions.

"Rec. by:" means "Recommended by" and refers to the Board Committee or party which considers the item and makes recommendation to the Board for its final decision, or where the Charter approves the decision to be made by the Board Committee under the Board Delegated Authorities Framework (DAF) as approved by the Board: "AC" - Audit Committee, "Co.Sec". - Company Secretariat/Company Board Secretary, "EC" - Executive Committee, "IC" - Investment Committee "N&RC" - Nomination & Remuneration Committee and "RMC" – Risk Management Committee.

All matters detailed herein, even where reserved for the Board, are subject to the laws and regulatory approval(s), and the public shareholder approval(s) through the General Assembly Meeting, wherever required and applicable, as per the laws and/or regulations of Saudi Arabia.

		Rec.by:
1. Strategy and management		
1.1	Responsibility for the overall leadership of the Company and setting the Company's values and standards.	
1.2	Approval of the strategic aims, long term objectives and commercial strategy.	
1.3	Approval of the annual operating plans (AOP), and capital expenditure budgets and any material changes to them.	EC
1.4	Oversight of the Company's operations ensuring:	AC, RMC
1.4.1	competent and prudent management	
1.4.2	sound planning	
1.4.3	maintenance of sound management, corporate governance and internal control systems	
1.4.4	adequate accounting, financial reporting and other records; and	
1.4.5	compliance with statutory and regulatory obligations	
1.5	Review of performance in the light of the Company's strategy, objectives, business plans and budgets and ensuring that any necessary corrective action is taken.	EC
1.6	Extension of the Company's activities into new business sectors or new geographic areas.	EC
1.7	Any decision to cease to operate all, or any material part, of the Company's business operations.	EC
2. Structure and capital		
2.1	Recommendation to the shareholders for the approval of amendments to the Articles of Association, i.e. Company By-Laws, of the Company.	
2.2	Changes relating to the Company's capital structure, except under employee share incentive plans.	

	Rec.by:
2.3 Changes to the Company's corporate structure.	
2.4 Changes to the Company's listing or its status as a publicly listed company.	
3. Financial reporting and controls	
3.1 Approval of the: Annual Financial Statements (AFS), quarterly Interim Condensed Financial Statements (IFS), Annual Board Report (ABR), Annual Report & Accounts (ARA), including the business review, and including the related party transactions, including the recommendation of the same to the public shareholders for approval in the General Assembly meeting which approves the results, where required and applicable.	AC
3.2 Approval of any significant changes in accounting policies or practices.	AC
3.3 Approval of the following:	
3.4.1 Capital Management (including Dividend) Policy	IC
3.4.2 Investment Strategy and Investment Risk Appetite	IC
3.4.3 Treasury (including Investment Policy Statement) Policy	IC
3.4 Recommendation to the shareholders for the approval of dividends, following SAMA no-objection and after authorizing management to seek SAMA no-objection.	EC
4. Internal controls and risk management	
4.1 Responsibility for the maintenance of a sound system of internal control and risk management including:	AC/RMC
4.1.1 undertaking an at least annual assessment of the internal control and risk management processes	
4.1.2 approving an appropriate statement for inclusion in the Annual Board Report	
4.2 Responsibility for ensuring the Company manages risk effectively including the approval of the:	RMC
4.2.1 Internal Control Framework	

Rec.by:

- 4.2.2 Risk Management Framework
- 4.2.3 Risk Management Policy
- 4.2.4 Enterprise Policy Management Framework
- 4.2.5 Risk Appetite Statements (RAS) (the extent and categories of risk which the Board regards as acceptable)
- 4.2.6 The Company Underwriting Manual/Policy

4.3 Approval of any activities outside of the Board approved Risk Appetite Statements (RAS)

5. Mergers and acquisitions (M&A), disposals and contracts

5.1 Mergers, Acquisitions & Disposals >SR3m

5.2 Sales Contracts, whether new or renewal, > SR250m

5.3 Approval of any contract pricing discount which exceeds the CEO's authorised pricing discount level per the prevailing approved Company Underwriting Manual

5.4 Crisis management expenses >5% of the prior year net profit before Zakat and Income Tax

5.5 Purchase contracts > SR12m (Excluding Outsourcing Contracts)

5.6 Outsourcing Contracts > S6m

5.7 Medical Claims/Insurance Supply Chain Contracts > 20% of current year projected claims spend

Version: **2**, Document Owner: **Company Board Secretary**

Board of Directors Approval Date: **30 November 2017**

General Assembly Meeting Approval Date: **30 November 2017**

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<p>5.8 Budgeted Capital Investment Proposals > SR6m</p> <p>5.9 Ex-Gratia , requires joint CFO approval within his limit > SR3m</p> <p>5.10 Capex, Opex payments, including any and all contracts, including for prosecution, defence or litigation settlement related, whether customer compensation or other third party, wherever not within the approved budget, > SR10m</p> <p>5.11 Other expense items, Bad debt write-off & fixed asset disposal > SR3m</p>	Rec.by:
<p>6. Communication</p> <p>6.1 Approval of agendas, resolutions and associated materials and documentation to be put to the shareholders at the general assembly meetings.</p> <p>6.2 Approval of press releases concerning matters decided by the Board.</p> <p>6.3 Approval of the Company's Investor Relations website framework and significant content (through which the Company communicates its Governance and other activities/updates to its Shareholders via the Company website)</p> <p>6.4 Approval of Media and Shareholder Communications Policy.</p> <p>6.5 Approval of the process for ensuring the appropriate communications with the shareholders, and other stakeholders, and to ensure that their views are fully communicated to the Board as a whole, including the Company's Shareholders' Disclosure Policy.</p>	<p>Co. Sec.</p> <p>EC</p> <p>EC</p> <p>Co. Sec.</p>

		Rec.by:
7. Board and Board Committee membership, organization structure and other appointments		
7.1 Approval of changes to the structure, size and composition of the Board, and the Board Committees		N&RC
7.2 Ensuring adequate succession planning for the Board, the Board Committees, the Chief Executive Team and senior positions		N&RC
7.3 Recommendation to the shareholders for the approval of the:		N&RC
7.3.1 Board and Board Committee Member Nomination and Appointment Policy and Procedure		
7.3.2 Appointments of the members of the Board		
7.3.3 Appointments of the members of the Audit Committee		
7.4 Selection of the Chairman, and Vice-Chairman, of the Board, the Chief Executive Officer (CEO), and the Company Board Secretary		
7.5 Recommendation to the shareholders for the approval of the:		AC
7.4.1 Appointment, re-appointment, or removal of the joint external auditors		
7.6 Approval of the membership of the Board Committees, except for the Audit Committee, and the approval of the Chairman of each Board Committee.		N&RC
7.7 Determining the independence of the Board, and where required and applicable the Board Committee, members.		N&RC
7.8 Election, removal, or continuation in office of any Board member, or Board Committee member, at any time, including the suspension or termination of service of a Board member, or Board Committee member, provided in accordance with laws and regulations		N&RC

7.9 Organizational structure at the level of the CEO's reports (except of the Risk, Compliance and Internal Audit functions which are fully delegated to either the Audit Committee or the Risk Management Committee).	Rec.by: CEO
7.10 Election and removal of Bupa Arabia representatives on the Board(s), and Board Committee(s) of subsidiaries.	N&RC
8. Remuneration	
8.1 Recommendation to the shareholders for the approval of the: 8.1.1 The Board Member Remuneration Policy 8.1.2 The Board Committee Member Remuneration Policy 8.1.3 The Chief Executive Team (CET) Member Remuneration Policy 8.1.4 The Company shares incentive scheme(s) i.e. Long-Term Incentive (LTIP) Scheme 8.1.5 The purchase of the Company LTIP shares in accordance with the LTIP Scheme	N&RC
8.2 Company Remuneration, Compensation and Benefits (C&B) Scheme for employees, including annual bonus schemes and framework, and including the CEO and executive team members, and any significant changes thereto.	N&RC
8.3 The Board approves the compensation of the Company Board Secretary, and the Audit Committee Secretary, as specified within the corporate governance regulations.	N&RC

9. Delegation of Authority

- 9.1 Approval of the division of responsibilities between the Board Chairman, the CEO and the Board Company Secretary, as reflected within the Code of Corporate Governance.
- 9.2 Approval of the delegated levels of authority, to the Board Committees, and the CEO, and as reflected within the Company Board Delegated Authorities Framework.
- 9.3 Approval of the establishment of the Board Committees, and their respective Charters, based on the recommendation approvals of the respective Board Committees, and subject to public shareholder approval where applicable.
- 9.4 Receiving the reports, and the minutes, from all the Board Committees, on their activities.

10. Corporate governance and company secretarial, policies and matters

- 10.1 Approval of:
 - 10.1.1 Corporate Governance Framework
 - 10.1.2 Corporate Governance Policy
 - 10.1.3 Board Delegated Authorities Framework (DAF)
 - 10.1.4 Bupa Arabia Company Code of Conduct
 - 10.1.5 Corporate Social Responsibility (CSR) Policy
 - 10.1.6 Board, and Board Committee, member Code of Conduct
 - 10.1.7 Board, and Board Committee member Conflicts of Interest Policy

Rec.by:

RMC

<p>10.1.8 Board, and Board Committee member Insider Trading and Stock Tipping Policy</p>	Rec.by:
<p>10.2 Recommendation to the shareholders for the approval of the:</p>	
<p>10.2.1 Code of Corporate Governance, including the Board Charter and this Schedule of Matters Reserved for the Board (SMRB)</p>	Co. Sec.
<p>10.2.2 Audit Committee Charter</p>	AC
<p>10.3 Undertaking a formal annual review of its own Board performance, and that of its Board Committees, and the respective members of the same.</p>	N&RC
<p>10.4 Review of the Board's overall corporate governance arrangements.</p>	RMC
<p>10.5 Overseeing arrangements for organising and controlling the Company's affairs responsibly and effectively and in compliance with regulatory requirements.</p>	AC
<p>10.6 Approval of Conflicts of Interest, in terms of the relevant laws and regulations.</p>	AC
<p>10.7 Considering the balance of interests between shareholders, employees, clients, and the community.</p>	
<p>10.8 Approval of significant, as defined by the Board, stock exchange (Tadawul) announcements.</p>	Co. Sec.

Rec.by:

11. Policies

In addition to the frameworks/policies reserved for Board approval, in the preceding sections of this Schedule of Board Reserved Matters, the below, and including any major changes thereto, are reserved for Board approval, based on the recommendation approval of the relevant Board Committee, as stated:

11.1	External Suppliers Policy	
11.2	Financial Crime Risk Policy (includes AML, CTF, Anti-Bribery, Gifts, Sanctions)	RMC
11.3	Fit and Proper Persons Policy	AC
11.4	Health & Safety Policy	AC
11.5	Insurance Risk Policy	RMC
11.6	People (Human Resources) Policy	AC
11.7	Speak Up (Whistle Blowing) Policy	N&RC
11.8	Mergers and Acquisitions Policy	AC
11.9	Strategic Partnerships and JVs Policy	RMC
		AC

Version: **2**, Document Owner: **Company Board Secretary**

Board of Directors Approval Date: **30 November 2017**

General Assembly Meeting Approval Date: **30 November 2017**

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11.10 Other Enterprise Policies

and any other framework, code or policy which subsequently requires approval as a result of legislation, or any regulation, or which covers an area that is considered fundamental to Bupa Arabia, per the discretionary interpretation of the Board of Bupa Arabia

12. Other

12.1 The making of political donations.

12.3 Approval of the overall levels of insurance, including Directors & Officers liability insurance, and including Board, and Board Committee Members, and Company Board Secretary, and Audit Committee Secretary cover and indemnification.

12.4 Exercise such other powers on behalf of the Company as may be required from time to time, in accordance with the law and regulations.

12.5 Any decision likely to have a material impact on the Company from any perspective, including, but not limited to, financial, operational, strategic or reputational.

12.6 This schedule of Matters Reserved for the Board decisions (SMRB).

Rec.by:

RMC

RMC

RMC

RMC

The Board will receive reports and recommendations from time to time on any matter which it considers significant to the Board.

Where the Board delegates a power to recommend, this will also be contained in the Charter of the relevant Board Committee and the Board Delegated Authorities Framework (DAF).

All other matters not specifically reserved in this schedule are delegated to the CEO through the CEO Delegated Authorities Framework.

Board of Directors Approval Date: **30 November 2017**

General Assembly Meeting Approval Date: **30 November 2017**

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BUPA ARABIA FOR COOPERATIVE INSURANCE COMPANY
("Bupa Arabia", "the Company")
APPENDIX B : AUDIT COMMITTEE (AC)
CHARTER

1. Constitution, Principal Role and Term

Constitution – This Charter was originally constituted by the Board during 2009, and thereafter approved by the public shareholders, including amendments to the same. This latest version, enhancing alignment with the latest regulatory corporate governance regulations, was approved by the Board during November 2017, subject to regulatory approval where applicable, and subject to the public shareholders' approval, where applicable, on 30th November 2017.

Principal Role – The principal role of the Audit Committee ("AC" or "the Committee") is to monitor the integrity of the Company's financial statements, comply with the applicable laws and regulations, to review and, where appropriate, make recommendations to the Board on internal financial controls, Compliance, Internal Audit and to review the External Audit process and External Auditors performance. The Committee shall also have oversight, through the Company's Risk Management Committee (RMC), for ensuring that the Company's risk management processes are adequate and effective, particularly with regard to the impact on the Company's financial reporting and its code of business conduct.

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

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

Each member shall hold office as a Committee member for a period of one term, which may be extended for a maximum of only one further term, subject to the no-objection of the regulators, and thereafter the GA meeting approval. The completion of any part of any AC Term shall constitute the completion of an AC term, meaning membership of only one further AC term is allowed.

The AC Chairman must be an independent Board member, or may be an independent person provided the written no-objection was received from the regulators, and provided it is allowed by the regulations, of Saudi Arabia, and provided approved by the GA.

2. Membership, Chairman and Secretary

Composition and Chairman – The Committee is to comprise of no less than three (3) and no more than five (5) members, as per the Nomination and Remuneration Committee (N&RC) recommendation approval, and thereafter Board and regulatory approval where applicable, in accordance with the relevant Saudi regulations.

Members of the AC must be independent and the majority of the members must not be members of the Bupa Arabia Board, and provided that at least one of its members is an Independent Board Member and that no executive Board members may be an AC member. The Chairman of the Board must not be a member of the AC.

AC members shall not include any Board members, directors, executives, employees, consultants, representatives of any parties connected to the Company, including but not limited to: major shareholders and founding shareholders, External Auditors, suppliers, the Company's customers, or the legal parties who have first-degree relationships with the Company's Board, or executives, or have any financial or business relationship therewith.

Any person who has worked in the Company's Finance department, or its Executive Management, or for the Company's external auditors, during the preceding two years, may not be a member of the AC.

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

No AC member shall simultaneously serve on the Audit Committees of more than four (4) public companies.

After receipt of the regulatory no-objection(s), and recommendation to the GA by the Board, after accounting for the N&RC recommendation, the AC members shall be appointed by the GA for each three (3) year term. The Board shall thereafter, having accounted for the N&RC recommendation for the Chairman role, select the AC Chairman from amongst the AC members appointed by the GA, subject to thereafter obtaining the regulatory required written no-objection.

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

The Chairman of the AC shall not have a relationship with the Executive and Senior Management of the Company that could affect his independence.

The Board, after obtaining the regulators' written non-objection, may dismiss a Committee member if she or he ceases to satisfy membership terms or violates the provisions of the respective rules and regulations.

A Committee member has the right to resign, after providing the resignation request to the Board with at least one month notice before the resignation becomes effective.

The Company shall notify the regulators in writing of the resignation of a Committee member, and the reasons thereof, and provide the regulators with a copy of the resignation in due course, as required.

In the case of a Committee vacancy, or addition, during the term, the Board, after accounting for the N&RC recommendation, and after obtaining the Regulator's written no-objection, where applicable, shall appoint the new Committee member, preferably within a month of the vacancy date, to fill the vacant position, and the new

Bupa Arabia Audit Committee Charter

Version: **5**

Document Owner: Audit Committee Secretary

Board Approval Date: **30 November 2017**

General Assembly Meeting Approval Date: **30 November 2017**

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member shall complete the term. The appointment of the replacement, or new additional, AC member shall be approved by the next GA.

Knowledge – The Board, through the N&RC, shall ensure that the members of the AC are appropriately qualified to discharge their responsibilities. At least one (1) AC member, and preferably also the AC Chairman, shall have recent and relevant accounting or financial management expertise or experience.

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

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

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

Each member of the Committee shall disclose to the Committee:

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

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

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

Membership Review – The Board shall review the membership of the Committee from time to time and approve any changes to the Committee membership, accounting for the recommendation approval of the N&RC.

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

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

The Secretary of the AC shall not be a Secretary of any other Company Board Committee and shall not be the Company Board Secretary.

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

The Secretary of the AC shall be eligible for remuneration for carrying out his or her functions for each Committee meeting. The amount of such compensation shall be determined by a decision issued by the Board on the recommendation of the N&RC.

3. Meetings

Frequency – Meetings shall be held not less than six (6) times a year and should preferably correspond with the Company's financial reporting cycle. The Secretary shall convene a meeting on receipt of a request by one (1) of the Committee members, the Board or by a related external party.

The AC meetings shall include an annual meeting with the Board.

The AC is entitled, if the need arises, to hold other meetings in response to any of the following cases including but not limited to:

- a) Upon the request of the Chairman of the Board;
- b) Cases in which the External Auditor, Internal Audit Department Leader, Compliance Department Leader or Actuary requests a Committee meeting due to reason that requires so; and
- c) Meetings on other issues such as, but not limited to: financial and audit issues, compliance issues, conflicts of interest, related party transactions, and professional and ethical codes of conduct.

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

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

In the absence of the Committee Chairman, the Committee shall choose a temporary Chairman, for the Committee meeting, from the attending members.

As a minimum, the Chairman of the AC shall attend the Board meeting at which the Annual Financial Statements and Annual Board Report are approved.

A Committee member shall be deemed resigned if she or he fails to attend any meetings of the Committee for more

than three (3) consecutive times without presenting an excuse acceptable to the Board.

The AC shall meet with the External Auditors at least once a year without management present.

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

The Committee should meet with the in-house Legal Affairs and Corporate Governance Director on a regular basis. Meetings with the external Legal Counsel should also be held, if deemed necessary.

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

4. Proceedings

Notice – Notice of each meeting confirming the date, time and venue shall be circulated by the Committee Secretary, or his designated representative, to all members of the Committee and to other attendees (if appropriate) as far in advance as possible (no less than five (5) days).

Agenda – The Committee Secretary, or his designated representative, shall circulate the agenda and supporting documentation to the Committee members a reasonable period in advance of each meeting (no less than five (5) days).

Supporting Papers – Supporting papers for each meeting shall be circulated by the Committee Secretary, or his designated representative, to all members of the Committee and to other attendees (if appropriate) as far in advance as possible (no less than five (5) days).

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

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

5. Authorities

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

- a) Perform activities within the scope of its charter;
- b) Engage any external consultant to seek assistance in doing specific tasks in order to support the Committee

Bupa Arabia Audit Committee Charter

Version: **5**

Document Owner: Audit Committee Secretary

Board Approval Date: **30 November 2017**

General Assembly Meeting Approval Date: **30 November 2017**

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in performing its work, as deemed necessary;

- c) Investigate any activity within its Charter and to intervene if the Committee considers it appropriate and if the Board instructs it to do so;
- d) Ensure the attendance of Company officers at meetings, as appropriate;
- e) Contact directly the Board, management of the Company, all employees, Committees, and legal advisors, Internal and External Auditors in the Company's Head Office and/or branches and other parties related to the Company;
- f) Have unrestricted access to relevant information, and review all private and confidential Company records and documents necessary to perform its activities;
- g) Review and ratify management's proposals for the performance, appointment/re-appointment and compensation of the External Auditors, and recommendation of the same for Board approval;
- h) In conjunction with Executive Management, review and approve the auditor engagement letters/terms as well as reviewing policies for the provision of non-audit services by the External Auditors and, when required, the framework for pre-approval of these services; and
- i) Delegate any actions in support of its function to a competent person, providing the terms of the delegation are documented in the Committee's records, but it may not delegate accountability for its function. The Committee may not delegate those powers relating to the oversight of the Internal Audit and Compliance Departments.
- j) Request that the Board calls for a GA Meeting if the AC activities have been impeded by the Board or if the Company has suffered significant losses and damages.

6. Roles, Duties and Responsibilities

The Committee members are accountable to the Company's regulators, shareholders and the Board for implementing the provisions of respective rules and regulations and executing the Committee's action plan issued by the Board's decision.

The Committee members should, while performing their tasks, give priority to the Company's interest against any other considerations that might affect their work or decisions. Members of the Committee shall perform their duties free from any external influence, whether from within or outside the Company. Committee members shall not allow their own personal interest to come before, or in conflict with, that of the Company, its shareholders, or any other Stakeholders.

The Committee shall:

Audit Committee Annual Action Plan:

- a) Develop a detailed annual action plan that includes the key topics to be discussed during the year and meeting dates.

Internal Control:

- b) Prepare an Annual Audit Committee Report on the internal control systems of the Company, covering the sufficiency of the internal audit policies and controls, and which to be presented to the public shareholders at the GA meeting of the shareholders which approves the annual results, and which to be available to all shareholders at least ten (10) days before such GA meeting;

- c) Examine and review the internal control systems implemented by management for the approval of financial

Bupa Arabia Audit Committee Charter

Version: **5**

Document Owner: Audit Committee Secretary

Board Approval Date: **30 November 2017**

General Assembly Meeting Approval Date: **30 November 2017**

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transactions and the recording and processing of financial data;

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

Financial Reporting:

- a) With the support of the RMC, review the current areas of greatest financial risk and how these are being managed;
- b) Review significant accounting policies and procedures as well as the modifications that might be introduced thereto and provide opinion and recommendations to the Board thereon;
- c) Review significant accounting and reporting issues, including recent professional and regulatory pronouncements and understand their impact on financial reports;
- d) Review intra-group transactions and the associated related parties transactions;
- e) Review the related party contracts, and proposed associated related party transactions, and provide recommendation approval to the Board in connection therewith;
- f) Have oversight of the Actuarial capability, providing an annual written report to the Bupa Arabia Board validating the appropriateness of current actuarial methodologies/models, the adequacy of the overall underwriting/pricing policies and the adequacy of re-insurance;
- g) Ensure the Company's compliance with the Actuary's proposals and recommendations, where these are mandatory and required by regulations or Regulators' instructions;
- h) Ensure sufficient review as to support the adequacy of all significant relevant provisions in the quarterly and annual financial statements;
- i) Oversee the periodic financial reporting process implemented by management, review and discuss the annual and interim quarterly Financial Statements with the External Auditors and the Company's Executive Management prior to presentation to the Board, and give opinion and recommendation approval to the

Bupa Arabia Audit Committee Charter

Version: **5**

Document Owner: Audit Committee Secretary

Board Approval Date: **30 November 2017**

General Assembly Meeting Approval Date: **30 November 2017**

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Board with respect thereto whilst ensuring their integrity, fairness and transparency;

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

Compliance with Rules & Regulations:

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

External Auditors:

- a) Obtain assurances from the External Auditors as to the professional qualifications of all staff involved in audits;
- b) Consider the independence of the External Auditor – from the Company, its Board members and its Executive and Senior management – and any potential conflicts of interest;
- c) Review on an annual basis the performance of the External Auditors, assess the efficiency, effectiveness and objectivity of work performed, and make recommendations to the Board for the appointment, reappointment or termination of the External Auditors. This may include ensuring that the nominated

Bupa Arabia Audit Committee Charter

Version: **5**

Document Owner: Audit Committee Secretary

Board Approval Date: **30 November 2017**

General Assembly Meeting Approval Date: **30 November 2017**

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External Auditors have the necessary experience in auditing Insurance and/or Reinsurance Companies;

- d) Review the External Auditors' proposed audit scope and approach for the current year in the light of the Company's present circumstances and changes in regulatory and other requirements. The Committee should approve any activity beyond the scope of the External Auditors work assigned to them during the performance of their duties;
- e) Review together with the External Auditor the audit plan and make any comments thereon;
- f) Discuss with the External Auditor any audit problems encountered in the normal course of audit work, including any restriction on audit scope or access to information;
- g) Ensure that significant findings and recommendations made by the External Auditors and management's proposed response are received, discussed and appropriately implemented. The Committee shall make recommendations thereon for the Board;
- h) Meet separately with the External Auditors to discuss any matters that the Committee or External Auditors believe should be discussed privately;
- i) Ensure the External Auditors have access to the AC Chairman when required; and
- j) Review policies for the provision and authorization of non-audit services by the External Auditor(s).

Internal Audit Department (IAD):

- a) The IAD will assess and monitor the implementation of the internal control system, and verifies that the Company and its employees comply with the applicable laws, regulations and instructions, and the Company's policies and procedures, and receive the IAD's written report on its activities at least quarterly;
- b) Review and approve the activities, resources, organizational structure and charter of the IAD. The Committee shall ensure the independence of the IAD in performing its tasks, and ensure that there are no restrictions or any impediments that might adversely impact its scope of work;
- c) Approve the appointment, promotion or dismissal of the IAD Leader, through recommending to the Board, after obtaining the Company regulators' written non-objection, as applicable;
- d) Determine the monthly salary, bonus and other remuneration of the IAD in accordance with the Company's internal human resources policies as approved by the Board;
- e) Review the efficiency, effectiveness and objectivity of the Internal Audit function and ensure that it has appropriate standing within the Company;
- f) Review the effectiveness of the IAD Leader position and ensure that it has the appropriate level of seniority;
- g) Meet with the IAD Leader to discuss any matters that the Committee or Internal Auditors believe should be discussed;
- h) Ensure that significant findings and recommendations made by the Internal Auditors and management's proposed response are received, discussed and appropriately acted on. The related recommendations shall be submitted to the Board; and
- i) Review and approve the proposed Internal Audit plan for the coming year and ensure that it addresses key areas of risk and that there is appropriate co-ordination with the External Auditors.
- j) The Company shall keep records of the audit reports and business documents, which shall clarify its accomplishments, findings and recommendations, and all actions taken.

Compliance Department (COD):

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

7. Reporting and Evaluating Performance Responsibilities

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

The AC shall ensure the Board is aware of matters that may significantly impact the financial condition or affairs of the business; and

The AC shall prepare any reports required by law or listing rules requested by the Board, for example a report on the AC's activities and duties to be included in the section on corporate governance in the ABR.

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

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

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

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

Bupa Arabia Audit Committee Charter

Version: **5**

Document Owner: Audit Committee Secretary

Board Approval Date: **30 November 2017**

General Assembly Meeting Approval Date: **30 November 2017**

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Evaluation of Performance – The Committee shall assess the achievement of the duties specified in the Charter and report the findings to the Board. The Committee shall support the N&RC, and/or the Board, in the evaluation of the Committee's, and/or the Committee's members' performance, as and when required.

8. Review of the Committee Charter

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

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

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

9. Other Matters

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

10. Corporate Governance Standards

The Company Corporate Governance Standards are defined in the Company Code of Corporate Governance (CCG) but due to the stand alone nature of the AC Charter and its required separate GA meeting agenda item approval process, i.e. together with the AC members' appointment for each term, are repeated here for ease of shareholder and regulatory reference:

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

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

11. Definitions

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



BUPA ARABIA FOR COOPERATIVE INSURANCE COMPANY
("Bupa Arabia", "the Company")
APPENDIX C : EXECUTIVE COMMITTEE ("EC")
CHARTER

1. <u>Constitution, Principal Role and Term</u>
<p>Constitution - This Charter was originally constituted by the Board during 2009, and thereafter approved by the public shareholders, including amendments to the same. This latest version, enhancing alignment with the latest regulatory corporate governance regulations, was approved by the Board during November 2017, subject to regulatory approval where applicable, and subject to public shareholders approval, where applicable, on 30 November 2017.</p>
<p>Principal Role – The principal role of the Executive Committee ("EC" "the Committee") is to, on behalf of the Board, monitor the performance of the business on an ongoing basis, to review financial targets, Annual Operating Plans (AOP) and forecasts, before they are presented to the Board for approval, and to ensure that the business is operating within its solvency margin limits. The EC will review the strategies and objectives of the business and acts as a "bridge" between the Board and the management of the business on performance monitoring and approvals, thereby facilitating the Board's efficiency and enhancing the Company's decision making processes. The EC supports the Board with the management of the business through the review, and monitoring, of all aspects of the operational performance of the company on a routine frequent basis to ensure that there are no barriers to achieving the objectives set. It also reviews and approves, as required per its Charter, and per the Board Delegated Authorities Framework (DAF), certain aspects of a commercial nature, and supports ensuring the Company is fully compliant with all regulatory requirements. The EC reports to the Board.</p>
<p>In performing its duties the Committee will maintain effective working relationships with the Board, other Board Committees where required, and Bupa Arabia's Executive and Senior management. To perform their role effectively, each Committee member will need to develop and maintain their skills and knowledge, including an understanding of the Committee's responsibilities and of the Company's business, operations and risks.</p>
<p>Term - the term of the Committee shall run concurrent with the Board term, and such term shall be governed by the Company's By-Laws (Articles), and which cannot exceed the three (3) years maximum specified within the Company Law, as shall be approved by the Board, Regulators and thereafter the public shareholders in the General Assembly (GA) meeting.</p>

2. Membership, Chairman and Secretary
Composition and Chairman – The Committee is to comprise of no less than three (3) and no more than five (5) members, as per the Nomination and Remuneration Committee (N&RC) recommendation approval, after Board and regulatory approval where applicable, in accordance with the relevant Saudi regulations. The Committee Chairman shall be appointed by the Board, subject to Regulators' approval thereafter, and the EC may be composed of executive and non-executive members.
This Charter, and also the Company's Code of Corporate Governance (CCG), contains more details on these role responsibilities.
Knowledge – The Board shall ensure that the members of the Committee are appropriately qualified to discharge their responsibilities.
Confidentiality – Board/Committee members must sign a Confidentiality Agreement with the Company and at all times maintain the strictest confidentiality of all the matters discussed through, or associated with, the Board/Committee's activities, whether the Board/Committee member has ceased to be an active or current Board/Committee member or not.
Disclosure of Interests – Committee members shall disclose any direct or indirect interest in the Company's business and insurance contracts concluded by it and such interests shall be authorised by the public shareholders in the GA meeting(s) if applicable.
Committee members shall not take part in any business that competes with the Company nor trade in the activities performed by the Company. The Company has the right to claim indemnification for any losses caused by such business or act.
Each member of the Committee shall disclose to the Committee:
a) Any personal financial interest in any matter including, but without limitation to, related party transactions, business and family interests, and
b) Any potential conflict of interest arising from a cross-directorship.
Any such Committee member shall abstain from voting on the relevant matters in relation to which such interest exists and from participating in the discussions concerning such resolutions.
Secretary – The Committee Secretary shall be appointed by the Board from the Company's staff and shall not be the Secretary of the Audit Committee.
Committee Members Compensation – All Board, and Board Committee, members are entitled to annual compensation if the eligibility requirements have been fulfilled by the member. The Board, and Board Committee, members' compensation shall be as per the Board, and Board Committee, Member

Remuneration Policies, as approved by the GA, and provided within the parameters allowed by the law and regulations of Saudi Arabia.
3. Meetings
Frequency – Committee meetings shall be held on a regular basis as needed such that the Committee meets not less than six (6) times a year. The Secretary shall convene a meeting on receipt of a request by one (1) of the Committee members, the Board or by a related external party.
Quorum – The quorum of any meeting shall be valid if it comprises a minimum of either a) the majority of its members, where the Committee membership size is an odd number, or b) half the members, where the membership size is an even number, throughout the meeting. A member may participate by face-to-face meetings between the members, and/or by teleconference or videoconference, and be counted in the quorum and considered to have attended the meeting.
Attendance – Only Committee members, and the Committee Secretary, are entitled to attend the Committee meetings. The members, provided approved by the Chairman, shall have the discretion to invite any other person(s) to attend all or part of any Committee meeting, where it considers it appropriate.
Voting – The Committees decisions shall be issued by the majority vote of the members and, in the case of a decision having equal votes, the vote of the Chairman shall give preponderance to the decision, provided that the meeting minutes shall note the views of the other Committee member(s).
4. Proceedings
Notice – Notice of each meeting confirming the date, time and venue shall be circulated by the Committee Secretary, or his designated representative, to all members of the Committee, and to other attendees (if appropriate), as far in advance as possible (no less than five (5) days).
Agenda – The Committee Secretary, or his designated representative, shall circulate the agenda in advance of the meeting for the members to confirm and any member is entitled to request an addition to the agenda and for the Chairman to approve the addition of the same, as far in advance as possible (no less than five (5) days).
Supporting Papers – The Committee Secretary shall circulate the supporting documentation to the members a reasonable period in advance of each meeting as far in advance as possible (no less than five (5) days).
Duration – Sufficient time should be allowed in the meeting to enable the Committee to undertake as full a discussion as may be required.

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

5. Authorities

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

5.1 Mergers, Acquisitions & Disposals \leq SR3m

5.2 Sales Contracts, whether new or renewal: \geq SR150m \leq SR250m

5.3 Purchase contracts $>$ SR8m \leq SR12m (Excluding Outsourcing Contracts)

5.4 Outsourcing Contracts $>$ SR3m \leq S6m

5.5 Medical Claims/Insurance Supply Chain Contracts $>$ 10% \leq 20% of current year projected claims spend

5.6 Budgeted Capital Investment Proposals $>$ SR3m \leq SR6m

5.7 Ex-Gratia , requires joint CFO approval within the CFO limit $>$ SR2m \leq SR3m

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

5.9 Other expense items, Bad debt write-off & fixed asset disposal $>$ SR2m \leq SR3m

Other approvals:

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

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

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

5.11 Recommendation approval to the Board of:

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

5.11.2 Dividends

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

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

6. Roles, Duties and Responsibilities

The Committee members should, while performing their tasks, give priority to the Company's interest against any other considerations that might affect their work or decisions. Members of the Committee shall perform their duties free from any external influence, whether from within or outside the Company. Committee members shall not allow their own personal interest to come before, or in conflict with, that of the Company, its shareholders, or any other Stakeholders.

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

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

Bupa Arabia Executive Committee Charter

Version: **5**

Document Owner: Executive Committee Secretary

Board Approval Date: **30 November 2017**

General Assembly Meeting Approval Date: **30 November 2017**

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the shareholders, including for press releases on matters, and for the general assembly meetings, when requested by the Board.
7. <u>Reporting and Evaluating Performance Responsibilities</u>
The Board – The Chairman of the Committee (or a Committee member nominated by the Chairman) shall report to the Board on the proceedings of each Committee meeting (in subsequent Board meeting), and make appropriate recommendations
The Committee is responsible for ensuring it receives sufficient information, and materials, from the CEO and the Management of the Company, through the Committee Secretary, to enable it to monitor and evaluate the performance of the Company, the CEO and the Management.
The Committee shall ensure that the Board is updated on the Committee approvals it has provided to the business.
Ensure that the meeting minutes are prepared by the Committee Secretary, and that they are reviewed and authorised by the in attendance Committee members and the Committee Secretary.
Recommendations – The Committee shall make whatever recommendations to the Board, Board Committees, CEO and Management which it considers appropriate on any area where it deems action or improvement is necessary.
Committee Report – The Committee shall assist the Board by preparing a statement for inclusion in the Company's Annual Report describing the role and responsibilities of the Committee and actions taken by the Committee during the relevant period to discharge those responsibilities
General Assembly (GA) Meetings – The Chairman of the Committee, or Committee member delegated by the Chairman if applicable, must attend the Company's GA Meeting(s) so as to be available to respond to any questions of the Shareholders on the Committee's activities and areas of responsibility. If the Committee member is a Board member they must also attend the GA meetings.
Evaluation of Performance – – The Committee shall assess the achievement of the duties specified in the Charter and report the findings to the Board. The Committee shall support the N&RC, and/or the Board, in the evaluation of the Committee's, and/or the Committee's members' performance, as and when required.

8. <u>Review of the Committee Charter</u>
The Committee shall develop, implement and review its own Charter annually and shall thereafter recommend its revised Charter for the Board's approval.
Thereafter, the Committee shall ensure that the revised Charter is approved by the Board, and if necessary by Bupa Arabia's regulator(s) and/or public shareholders, as deemed applicable.
The Committee shall make available the Charter (explaining the role and the authority delegated to it by the Board) on request and by including the information on the Company's website.
9. <u>Corporate Governance Standards</u>
The Company Corporate Governance Standards are defined in the Company Code of Corporate Governance (CCG).
10. <u>Definitions</u>
The standard Company definitions, and acronyms, applicable throughout the Corporate Governance Framework (CGF), Code of Corporate Governance (CCG), and the Board and the Board Committees' Charters, are defined within the "Definitions and Acronyms" section of the CCG.



BUPA ARABIA FOR COOPERATIVE INSURANCE COMPANY
("Bupa Arabia", "the Company")
APPENDIX D : INVESTMENT COMMITTEE (IC)
CHARTER

1. <u>Constitution, Principal Role and Term</u>
<p>Constitution – This Charter was originally constituted by the Board of Directors ("Board") during 2009, and thereafter approved by the public shareholders, including amendments to the same. This latest version, enhancing alignment with the latest regulatory corporate governance regulations, was approved by the Board during November 2017, subject to regulatory approval where applicable, and subject to public shareholders approval, where applicable, on 30th November 2017.</p>
<p>Principal Role – The principal role of the Investment Committee ("IC" or "the Committee") is to supervise the investment management of Bupa Arabia to maximize returns, in accordance with the SAMA guidelines, Islamic Shariah principles and the Board's stated risk parameters.</p>
<p>In performing its duties the Committee will maintain effective working relationships with the Board, Management, and the external and internal auditors. To perform their role effectively, each Committee member will need to develop and maintain their skills and knowledge, including an understanding of the Committee's responsibilities and of the Company's business, operations and risks.</p>
<p>Term – the term of this Committee shall run concurrent with the Board term, and such term shall be governed by the Company's By-Laws (Articles), and which term cannot exceed the three (3) years maximum specified within the Company Law, as shall be approved by the Board, regulators and thereafter the public shareholders.</p>
<p>Each member shall hold office as a Committee member for a period of up to three (3) years, which may be extended for a further period of up to three (3) years subject to Board approval, provided the Chairman remains an Independent Board member, and provided the regulations allow it.</p>
2. <u>Membership, Chairman and Secretary</u>
<p>Composition and Chairman – The Committee is to comprise of no less than three (3) and no more than five (5) members, as per the Nomination and Remuneration Committee (N&RC) recommendation approval, and thereafter Board and regulatory approvals where applicable, in accordance with the relevant Saudi regulations. The Committee Chairman shall be appointed by the Board, after N&RC recommendation, subject to the regulators' approval thereafter.</p>
<p>At least one member of the IC must be independent.</p>
<p>IC members shall preferably not include executives, employees, consultants, representatives of any parties connected to the Company, including but not limited to: major shareholders and founders, External Auditors, suppliers, the Company's major customers, or the legal parties who have first-degree relationships with the</p>

Bupa Arabia Investment Committee Charter

Version: 5

Document Owner: Investment Committee Secretary

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Company's Board, or executives, or have any financial or business relationship therewith, but may be members, provided that they are recommended by the N&RC, are approved by the Board, are thereafter approved by the regulator(s), and provided no laws or regulations prohibit it.
IC members shall not be employees, nor be members of a Board, nor be members of an Investment Committee, of any other company operating in the insurance sector in the Kingdom of Saudi Arabia.
IC members shall not simultaneously serve on the Investment Committees of more than four (4) public companies.
The Board, after its appointment by the General Assembly, shall, after accounting for the N&RC recommendation, approve the appointment of the Committee members, including the selection of the Chairman from amongst the members, for the new three (3) year term, subject to thereafter obtaining the regulatory required approvals.
The Chairman of the IC shall not be related to the other members of the Board, nor have any financial or business relationship with any members of the Board.
The Chairman of the IC shall not have a relationship with the Executive or Senior Management of the Company that could affect his or her independence.
The Board, after obtaining the regulators' written non-objection, may dismiss a Committee member if she or he ceases to satisfy the membership terms or violates the provisions of the respective rules and regulations.
A Committee member has the right to resign, after providing the resignation request to the Board with at least one month notice before the resignation becomes effective.
The Company shall notify the regulators in writing of the resignation of a Committee Member, and the reasons thereof, and provide the regulators with a copy of the resignation in due course, as required.
In the case of a Committee vacancy during the term, the Board, after N&RC recommendation, and after obtaining the regulators' written non-objection where applicable, shall appoint another Committee member, preferably within a month of the vacancy date, to fill the vacant Committee position, and the new member shall complete his or her predecessor's term.
Knowledge – The Board shall ensure that the members of the Committee are appropriately qualified to discharge their responsibilities. At least two (2) IC members, including the IC Chairman, shall have recent and relevant financial or investment management expertise or experience.
Confidentiality – Committee members must sign a Confidentiality Agreement with the Company and at all times maintain the strictest confidentiality of all the matters discussed through, or associated with, the Board/Committee's activities, whether the Board/Committee member has ceased to be an active or current Board/Committee member or not.
Disclosure of Interests – Committee members shall not have any direct or indirect interest in the Company's business and contracts concluded by it.
Committee members shall not take part in any business that might compete with the Company or trade in the

activities performed by the Company. The Company has the right to claim indemnification for any losses caused by such business or act.
Each member of the IC shall disclose to the IC:
a) Any personal financial interest in any matter including, but without limitation to, business and family interests, to be decided by the Committee; and
b) Any potential conflict of interest arising from a cross-directorship.
Any such member shall abstain from voting on the decisions/resolutions of the Committee in relation to which such interest exists and from participating in the discussions concerning such resolutions unless such conflict has previously been disclosed to, and authorized by, the Board.
Membership Review – The Board shall review the membership of the Committee from time to time and approve any changes to its membership, accounting for the recommendation of the N&RC, and obtaining any required regulatory or public shareholder, approvals.
The membership of a Committee member shall terminate automatically upon the occurrence of any change that would breach the membership's terms as set forth in any Regulations, Instructions or Decisions issued by the Company's Regulators. The Committee member shall immediately inform the Company in writing upon the occurrence of such a change and she or he shall not attend any meeting of the Committee held after the date of the change.
Secretary – The Secretary of the Committee shall be appointed by the Board, on the recommendation of the N&RC. The Secretary shall handle the Committee's administrative tasks, schedule the Committee's meetings in coordination with its Chairman, prepare meeting minutes and ensure that all Committee members, and the Committee Secretary, sign the minutes.
The Secretary of the IC shall not be the Secretary of the Audit Committee.
Committee Members Compensation – All Board, and Board Committee, members are entitled to annual compensation if the eligibility requirements have been fulfilled by the member. The compensation shall be as per the Board and Board Committees' Remuneration Policy approved by the General Assembly within the parameters allowed by the law and regulations.
3. Meetings
Frequency – Meetings shall not be held less than four (4) times a year and should preferably correspond with the Company's financial reporting cycle. The Secretary shall convene a meeting on receipt of a request by one (1) of the Committee members. The IC, or its Chairman, shall annually directly update the Board.
The IC is entitled, if the need arises, to hold other meetings in response to any of the following cases which including but not limited to:
a) Upon the request of the Chairman of the Board;
b) Cases in which the External Auditor, Internal Audit Department Leader, Compliance Department Leader or Actuary requests a Committee meeting due to reason that requires so; and

Bupa Arabia Investment Committee Charter

Version: **5**

Document Owner: Investment Committee Secretary

Board Approval date: **30 November 2017**

General Assembly Meeting Approval date: **30 November 2017**

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c) Meetings on other issues such as: investment performance issues, compliance issues, conflicts of interest, and professional and ethical codes of conduct.
Quorum – The quorum of any meeting shall be valid if it comprises a minimum of either a) the majority of its members, where the Committee membership size is an odd number, or b) half the members, where the membership size is an even number, throughout the meeting. A member may participate by face-to-face meetings between the members, and/or by teleconference or videoconference, and be counted in the quorum and considered to have attended the meeting.
Attendance – Only Committee members, and the Committee Secretary, are entitled to attend the Committee meetings but the Committee shall have the discretion to invite any other person(s) to attend all or part of any Committee meeting, which it considers appropriate.
In the absence of the Chairman, the attending Committee members shall choose a temporary Chairman, for the Committee meeting, from amongst the attending Committee members.
As a minimum, the Chairman of the IC shall attend the Board meeting(s) at which any major investment related decisions are approved.
A Committee member shall be deemed resigned if she or he fails to attend more than three (3) consecutive Committee meetings without having presented an excuse acceptable to the Board.
The Internal and External Auditors, Compliance and Legal representative and Risk management staff, shall be invited to make presentations to the Committee, as deemed appropriate.
Voting – The Committee's decisions shall be issued by the majority of the members and in case of equal votes, the vote of the Committee's Chairman shall give preponderance, provided that the Committee meeting minutes note the view of the other member. Voting on the Committee's decisions on behalf of, or by proxy, by any member is not allowed.
4. Proceedings
Notice – Notice of each meeting confirming the date, time and venue shall be circulated by the Secretary, or his designated representative, to all members of the Committee and to other attendees (if appropriate) as far in advance as possible (within five (5) days).
Agenda – The Secretary, or his designated representative, shall circulate the agenda and supporting documentation to the Committee members a reasonable period in advance of each meeting, as far in advance as possible (within five (5) days).
Supporting Papers – Supporting papers for each meeting shall be circulated by the Secretary, or his designated representative, to all the Committee members, and to other attendees (if appropriate), as far in advance as possible (preferably within five (5) days).
Duration – Sufficient time should be allowed to enable the Committee to undertake as full a discussion, as may be

required.
Minutes – The Secretary shall ensure that minutes of each Committee meeting are taken and are authorised by all the Committee members who attended , and the Committee Secretary, through signature of the same. The minutes must also include the recording of the names of those present and in attendance. Minutes of the Committee meetings shall be circulated to members as soon as practicable following the meeting, and preferably within a period not exceeding fifteen (15) days, and provided to the Board, after the approval of the Committee, with any relevant key materials, if applicable, to the next Board meeting.
5. Authorities
The Board authorizes the IC – within the scope of its responsibilities – to:
a) manage Bupa Arabia's investment portfolio to maximize returns within the Board approved risk parameters and constraints as outlined in the Company's Investment Policy Statement (IPS);
b) manage the relationship between the officially appointed investment manager(s) and Bupa Arabia;
c) ensure these investments are carried out in full accordance with the SAMA insurance regulations;
d) ensure all investments are in full compliance with Islamic Shariah;
e) agree an additional layer of liquidity that can be borrowed against;
f) hire fund managers as appropriate based on expertise / past performance (all relevant due diligence will be completed);
g) allocate investments to these fund managers as appropriate;
h) set out the investment portfolio to deliver returns in line with the strategic direction set by the Board;
i) agree with the Board a maximum risk level for each asset class and for the portfolio in total;
j) advise the Board on any interest rate risk associated with any future borrowing;
k) recommend the use of financial derivatives, subject to Shariah compliance, Board and SAMA's approvals (likely through a fund manager);
l) set the mandate for and be involved in the recruitment of an internal treasury manager;
m) ensure appropriate resources will be allocated to undertake cash and other investments in-line with the Board approved; <ul style="list-style-type: none"> • Capital Management (including Dividend) Policy, • Investment Strategy and Investment Risk Appetite, • Treasury (including Investment Policy Statement) Policy.
n) receive and review quarterly investment performance and make recommendations as appropriate;
6. Roles, Duties and Responsibilities
The IC members are accountable to the Company's regulators, shareholders and the Board for implementing the provisions of the respective rules and regulations, and executing the IC's action plan, in line with the Board's approval.
The Committee members should, while performing their tasks, give priority to the Company's interest against any other considerations that might affect their work or decisions.

Bupa Arabia Investment Committee Charter

Version: **5**

Document Owner: Investment Committee Secretary

Board Approval date: **30 November 2017**

General Assembly Meeting Approval date: **30 November 2017**

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The IC shall:
a) develop its Charter, and recommend its approval for the approval by the Board's decision, and that the Charter should include, as a minimum, the Committees' authorities, rules, responsibilities and obligations;
b) be responsible for recommending to the Board for its approval the Company: <ul style="list-style-type: none"> • Capital Management (including Dividend) Policy, • Investment Strategy and Investment Risk Appetite, • Treasury (including Investment Policy Statement) Policy. including specific investments and borrowings and other transactions within the scope of the approved policies, and that the IPS is thereafter approved by SAMA prior to its implementation by the Company;
c) advise and recommend changes relating to the Company capital structure, including debt financing;
d) undertake the ongoing review of the appropriateness of the Company's Capital Management and Treasury policies and Investment Strategy;
e) undertake the ongoing review of the performance of the Company's investments;
f) consider investment activity and current market valuation;
g) consider review of performance by asset class/investment manager;
h) consider latest forecasts/asset allocation recommendations;
i) consider agree asset allocation including buy/sell points;
j) consider reviewing the implementation of the investment policy on a quarterly basis;
k) consider monitoring the overall risks of the investment policy;
l) ensure investment performance review reports are provided to the Board;
m) consider ensuring the compliance of all investment activities with the requirements of the Investment Regulation issued by SAMA and any other applicable laws and regulations;
n) consider any other relevant investment issues;
o) make recommendations on investment and treasury policy and wider investment and treasury performance to the Board as required;
7. Reporting and Evaluating Performance Responsibilities
The Board – The Chairman of the Committee (or Committee member nominated by the Chairman) shall report to the Board on the proceedings of each Committee meeting (in the subsequent Board meeting(s)), and make appropriate recommendations.
The Committee is responsible for ensuring it receives sufficient information, and materials, from the Management of the Company, through the Committee Secretary, to enable it to monitor and evaluate the investment performance of the Company.
Ensure that the Committee meeting minutes are prepared, by the Committee Secretary, and that they are reviewed and authorised by the Committee Members who attended and the Committee Secretary, and are thereafter shared with the Board.

Recommendations – The IC shall make whatever investment recommendations to the Board and Management which it considers appropriate on any investment area where it deems action or improvement is necessary.
Committee Report – The Committee shall assist the Board by preparing a statement for inclusion in the Company's Annual Board Report describing the role and responsibilities of the Committee and the more significant actions taken by the Committee during the relevant period to discharge those responsibilities
General Assembly (GA) Meetings – The Chairman of the Committee, or Committee member delegated by the Chairman if applicable, must attend the Company's GA Meeting(s) so as to be available to respond to any questions of the Shareholders on the Committee's activities and areas of responsibility.
Evaluation of Performance – The Committee shall assess the achievement of the duties specified in the Charter and report the findings to the Board. The Committee shall support the N&RC, and/or the Board, in the evaluation of the Committee's, and/or the Committee's members' performance, as and when required.
8. <u>Review of the Committee Charter</u>
The Committee shall develop, implement and review its Charter annually and recommend its approval for the Board's approval, ensuring regulatory and general assembly meeting approval thereafter where required.
The Committee shall make available its Charter on request and by including it on the Company's website.
9. <u>Corporate Governance Standards</u>
The Company Corporate Governance Standards are defined in the Company Code of Corporate Governance (CCG).
10. <u>Definitions</u>
The standard Company definitions, and acronyms, applicable throughout the Corporate Governance Framework (CGF), Code of Corporate Governance (CCG), and the Board and Board Committees' Charters, are defined within the "Definitions and Acronyms" section of the Company CCG.



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

1. Constitution, Principal Role and Term

Constitution – This Charter was originally constituted by the Board during 2009, and thereafter approved by the public shareholders, including amendments to the same. This latest version, enhancing alignment with the latest regulatory corporate governance regulations, was approved by the Board during November 2017, subject to regulatory approval where applicable, and subject to public shareholders’ approval, where applicable, on 30th November 2017.

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

- Board and Board Committees’ structures and composition,
- Nomination, selection, recommendation and appointment of Board and Board Committees’ members,
- Review of the effectiveness of the Board and the Board Committees,
- Review of the effectiveness of the Board and Board Committees’ members,
- Review and establishment of succession plans for the Board, Board Committees, CEO and Chief Executive Team members, and for specific “key” roles,
- Remuneration of the Board, Board Committees, CEO, CET members,
- Review and approve any remuneration based policy, and oversight of, including but not limited to the overall Compensation and Benefits, including commission/bonus/incentive plans, of the Company, and any significant changes to any remuneration policies.

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

- The Board and Board Committee Member Nomination and Appointment Policy and Procedure,
- The Board Member Remuneration Policy,
- The Board Committee Member Remuneration Policy,
- The Chief Executive Team (CET) Member Remuneration Policy,
- The Company’s Long-Term Incentive Plan (LTIP).
-

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

Charter.

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

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

2. Membership, Chairman and Secretary

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

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

The 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 N&RC Chairman shall not be a member of the Audit Committee.

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

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

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

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

Each member of the Committee shall disclose to the Committee:

- a) Any personal financial interest in any matter including, but without limitation to, business and family

Bupa Arabia Nomination & Remuneration Committee Charter

Version: **5**

Document Owner: Nomination & Remuneration Committee Secretary

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- interests, to be decided by the Committee; and
- b) Any potential conflict of interest arising from a cross-directorship.

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

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

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

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

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

3. Meetings

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

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

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

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

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

4. Proceedings

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

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

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

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

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

5. Authorities

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

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

6. Roles, Duties and Responsibilities

The Committee members are accountable to the Company's regulators, shareholders and the Board for implementing the provisions of the respective rules and regulations and executing the Committee's action plan issued by a Board's decision.

The Committee members should, while performing their tasks, give priority to the Company's interest against any other considerations that might affect their work or decisions. Members of the Committee shall perform their duties free from any external influence, whether from within or outside the Company. Committee members shall not allow their own personal interest to come before, or in conflict with, that of the Company, its shareholders, or any other Stakeholders.

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

With regard to Nominations:

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

Bupa Arabia Nomination & Remuneration Committee Charter

Version: **5**

Document Owner: Nomination & Remuneration Committee Secretary

Board Approval Date: **30 November 2017**

General Assembly Meeting Approval Date: **30 November 2017**

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- g) Reviews the requirement of suitable skills and expertise required of Board members, Board Committee members and the Chief Executive Team annually and prepares descriptions of the required capabilities and qualifications for such memberships, and ensures the inclusion of the same within the Nomination and Appointment Policy and Procedure;
- h) Develops, implements and reviews the succession plans of the Board and Board Committees, ensuring a pool of suitable candidates;
- i) Develops, implements and reviews the succession plan for the CEO, and the CET, and monitors the implementation of the succession plans and processes;
- j) Develops a CET vacancy filling procedure;
- k) Recommends to the Board the selection and dismissal of members of the CET.

With regard to Remuneration:

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

Through the Remuneration policies and procedures to;

- a) Ensure full adherence to, in terms of content, approval, disclosure and any other requirements, the relevant Saudi Arabia regulations,
- b) Ensure aligned with the strategy and objectives of the Company, whilst considering the scale, nature and level of risks faced by the Company,
- c) Encourage Board members, Committee members, the Executive Management, and all employees, with incentives to achieve the sustained success, and the long-term development, of the Company;
- d) Consider role level, duties, responsibilities, educational qualifications, practical experience, skills and level of performance in the assessment of remunerations, in order to attract, and retain, talented professionals in a commercially sensible manner;
- e) Ensure the consideration of, and benchmarking to, the remuneration levels and practices of other similar listed companies (scale/sector), in the determination of the remuneration levels which

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Version: **5**

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Board Approval Date: **30 November 2017**

General Assembly Meeting Approval Date: **30 November 2017**

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- Bupa Arabia pays in accordance with its respective remuneration policies,
- f) Consider where remunerations may be suspended, and/or recovered, if subsequently proven to be based upon inaccurate information provided by remuneration scheme member/participant, and in order to prevent the abuse of power or unmerited remunerations,
 - g) Ensures members of the Board and Senior Management (except Sales Managers) shall not receive any commission or rewards based on sales-related activities.

With regard to onboarding and training:

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

7. Reporting and Evaluating Performance Responsibilities

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

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

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

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

Evaluation of Performance – The Committee shall assess the achievement of the duties specified in the Charter and report the findings to the Board.

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

Bupa Arabia Nomination & Remuneration Committee Charter

Version: **5**

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Board Approval Date: **30 November 2017**

General Assembly Meeting Approval Date: **30 November 2017**

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requirements.

8. Review of the Committee Charter

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

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

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

9. Corporate Governance Standards

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

10. Definitions

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



BUPA ARABIA FOR COOPERATIVE INSURANCE COMPANY
("Bupa Arabia", "the Company")
APPENDIX F : RISK MANAGEMENT COMMITTEE (RMC)
CHARTER

1. Constitution, Principal Role and Term

Constitution – This Charter was first approved by the Board of Directors on 12th October 2016, and the public shareholders first approved it on 20th December 2016. This latest version, enhancing alignment with the latest regulatory corporate governance regulations, was approved by the Board during November 2017, subject to regulatory approval where applicable, and subject to the public shareholders' approval, where applicable, on 30th November 2017.

Principal Role – The principal role of the Risk Management Committee ("RMC" or "the Committee") is to assist the Board in its risk management and corporate governance strategies and the oversight of risk and corporate governance across Bupa Arabia. This includes overseeing the current risk and governance exposures and the risk strategy, and the corporate governance strategy, and including the development of the overall risk appetite and tolerance, the monitoring of the effectiveness of the corporate governance and risk management frameworks including governance and risk policies, process and controls, and the promotion of a governance and risk aware culture throughout Bupa Arabia.

The Committee is committed also to excellence in corporate governance and risk management and shall make a difference to Bupa Arabia's business by:

- Being sighted on governance and risk and engaging corporate governance and risk management to deliver sustainable performance;
- Owning the whole of Bupa Arabia's corporate governance and risk profile and acting on governance and risk themes holistically;
- Recognizing emerging risks and proposing risk appetite changes to the Board, as needed; and
- Defining and owning Bupa Arabia's corporate governance and risk culture and the mechanisms for implementing the same.

Term – the term of this Committee shall run concurrent with the Board term, and such term shall be governed by the Company's Articles, which cannot exceed the three years maximum specified within the Company Law, as shall be approved by the Board, Regulators and thereafter the public shareholders.

Each member shall hold office as a Committee member for a period of up to three years, which may be extended for further periods of up to three years, after the Board is re-constituted for each term, provided the Chairman remains non-executive, and subject to the approval of the Board, and the regulator(s), as required and applicable.

2. Membership, Chairman and Secretary

Composition and Chairman – The Committee is to comprise of no less than three (3) and no more than

Bupa Arabia Risk Management Committee Charter

Version: **2**

Document Owner: Risk Management Committee Secretary

Board Approval Date: **30 November 2017**

General Assembly Meeting Approval Date: **30 November 2017**

five (5) members, as per the Nomination and Remuneration Committee (N&RC) recommendation approval, after Board and regulatory approval where applicable, in accordance with the relevant Saudi regulations.

The Board, after its appointment by the General Assembly, shall, after accounting for the N&RC recommendation, approve the appointment of the Committee members, including the selection of the Chairman from amongst the members, for the new three (3) year term, subject to thereafter obtaining the regulatory required approvals.

The Chairman of the Committee shall be a non-executive director. The Chairman of the Board shall not be a member of the Committee.

In the absence of the Chairman of the Committee, the members present at any meeting of the Committee shall elect one of their number to Chair the meeting.

Members of the Committee shall always be fully informed of the course of business and act in good faith; with due diligence; in compliance with the applicable laws and regulations; and in the best interest of the Company's shareholders, policyholders, and other Stakeholders.

Members of the Committee shall perform their duties free from any external influence, whether from within or outside the Company. Committee members shall not allow their own personal interest, or the interest of the parties they represent, to come before, or in conflict with, that of the Company, its shareholders, or any other Stakeholders.

The Board, after obtaining the regulators' written non-objection, may dismiss a Committee member if she or he ceases to satisfy the membership terms or violates the provisions of the respective rules and regulations.

A Committee member has the right to resign, after providing the resignation request to the Board with at least one month notice before the resignation becomes effective.

The Company shall notify the regulators in writing of the resignation of a Committee Member, and the reasons thereof, and provide the regulators with a copy of the resignation in due course, as required.

In the case of a Committee vacancy during the term, the Board, after N&RC recommendation, and after obtaining the regulators' written non-objection where applicable, shall appoint another Committee member, preferably within a month of the vacancy date, to fill the vacant Committee position, and the new member shall complete his or her predecessor's term.

Knowledge – Each member shall have appropriate corporate governance, financial and risk management knowledge. All members are required to keep up-to-date on regulatory, corporate governance, risk and compliance issues and, where appropriate, shall receive induction and ongoing professional development to ensure this.

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

Disclosure of Interests – Each member of the Committee shall disclose to the Committee:

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

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

Membership Review – The Board shall review the membership of the Committee from time to time and approve any changes to the Committee membership, based on the recommendation approval of the Nomination & Remuneration Committee (N&RC).

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

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

3. Meetings

Frequency – Meetings shall not be held less than four (4) times a year and should preferably correspond with the Company's financial reporting cycle. The Secretary shall convene a meeting on receipt of a request by one (1) of the Committee members, the Board or by a related external party.

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

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

In the absence of the Chairman, the attending Committee members shall choose a temporary Chairman, for the Committee meeting, from amongst the attending Committee members.

Voting – The Committee's decisions are issued by the majority of the members and in case of equal votes; the vote of the Committee's Chairman shall give preponderance, provided that the Committee meeting minutes note the view of the other member(s).

All members shall have the same proportionate control and influence over the decisions of the Committee.

4. Proceedings

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

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

Supporting Papers – The Committee Secretary shall give advance notices, send meeting agendas with any relevant materials to the members and ensure their delivery, a reasonable period in advance of each meeting, preferably within five (5) days prior to the meeting.

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

Minutes – Minutes of the meetings shall be recorded, signed by all the Committee members who attended, and the Committee Secretary, and entered into an official register.

Minutes of the Committee meetings shall indicate the meeting's attendance, topics discussed, major deliberations, voting process, objections and abstentions from voting (with reasons if any), decisions taken, and reservations. All records and documents reviewed during the meeting and/or referred to in the minutes shall be attached / referred to in the minutes.

Minutes of the meetings shall be distributed to the parties concerned within a reasonable period, preferably within two (2) weeks. The person or entity responsible for implementing the resolutions taken shall be determined.

The Committee Secretary shall ensure to provide the Board a copy of the authorised meeting minutes to carefully review them, along with related recommendations.

5. Authorities

Resources and Support: The Committee shall be provided with sufficient resources to undertake its duties. The Committee shall have access to the services of the Committee Secretary and the Chief Risk Officer on all the Committee matters, including (but not limited to) assisting the Chairman in planning the Committee's work, drawing up meeting agendas, preparation and maintenance of the minutes, drafting of material about its activities for the annual report, collection and distribution of information and provision of any necessary practical support.

Investigation: The Committee is authorized by the Board to investigate any activity within its Charter and to intervene if the Committee considers it appropriate and if the Board instructs it to do so.

Information: The Committee is authorized to have unrestricted access to all of the books and records of the Company and to seek any information it requires from any employee. All employees are directed to co-operate with any request made by the Committee Chairman or the Committee Secretary acting on

Bupa Arabia Risk Management Committee Charter

Version: **2**

Document Owner: Risk Management Committee Secretary

Board Approval Date: **30 November 2017**

General Assembly Meeting Approval Date: **30 November 2017**

instructions from the Committee. The Committee shall advise the Chief Executive Officer and the Chief Risk Officer if it has exercised this authority to seek information (other than routine information) from any employee, setting out the information required and the circumstances underlying the request.

Advice: The Committee is authorized by the Board to obtain external legal, accounting or other independent professional advice on any matter within its Charter and to secure the attendance of such advisers with relevant experience and expertise, at the Company's expense, if it considers this necessary. The Committee shall consult with the Chairman of the Board before any fees are agreed.

Reports: The Committee is authorized to commission any reports or surveys that it considers necessary to help it fulfill its duties and responsibilities.

Delegation: The Committee may delegate any actions in support of its function to a competent person, providing the terms of the delegation are documented in the Committee's records, but it may not delegate accountability for its function. The Committee may not delegate those powers relating to the oversight of the Risk Division's functions.

6. Roles, Duties and Responsibilities

The Committee shall carry out the duties below:

General Corporate Governance and Risk Management:

- a) **Corporate Governance Framework:** Review Bupa Arabia's Corporate Governance Framework annually, considering its design and effectiveness in accordance with a) worldwide best practice and b) its adherence to the relevant Saudi regulations, and to recommend any changes deemed appropriate for approval by the Board.
- b) **Effective Governance:** Ensure the oversight of any matters relating to the implementation of effective Governance through supporting the Board in:
 - a. The implementation of governance rules for the Company in accordance with Saudi Arabia regulations,
 - b. Annually verifying that the Company is in compliance with the corporate governance regulations of Saudi Arabia,
 - c. Periodically reviewing and updating the Company rules pursuant to all statutory requirements and best practices,
 - d. Periodically reviewing and developing codes of professional conduct representing the Company's values and other internal policies and procedures in order to fulfil the Company's requirements in accordance with best practices.
 - e. Regularly informing the Board of developments in corporate governance and best practices, and provide the Board with recommendations for improvement in the governance, and/or governance rules, of the Company.
- c) **Risk Appetite Framework:** Review Bupa Arabia's risk appetite annually, considering the current and prospective macroeconomic, financial, clinical and regulatory environment. Consider Bupa Arabia's capability to identify and manage new types of risks. Recommend any changes deemed appropriate to the Company's risk appetite for approval by the Board.
- d) **Risk Management Framework:** Review the design and effectiveness of the Risk Management Framework, relative to Bupa Arabia's activities.
- e) **Remit and Performance of the Risk Division Functions:** Safeguard the independence of and assess Bupa Arabia Risk Management Committee Charter

Version: **2**

Document Owner: Risk Management Committee Secretary

Board Approval Date: **30 November 2017**

General Assembly Meeting Approval Date: **30 November 2017**

the adequacy, remit and performance of the Risk Division functions, including the Chief Risk Officer.

- f) **Risk Information:** Assess the effectiveness and quality of the risk reporting provided and the management of risks and emerging risks including, but not limited to financial, regulatory, clinical and operational.
- g) **Incident Oversight:** Oversee, at its discretion, the management of material incidents, breaches in limits or breakdown in operational controls including IT infrastructure. Assess the adequacy of remedial actions.
- h) **Policies:** Oversee the development, maintenance and implementation of appropriate policies and approve or recommend for approval such policies to the Board (including Enterprise Policy Management Framework), in line with the Matters Reserved for the Board.
- i) **Risk Identification and Mitigation:** Satisfy itself that risks to Bupa Arabia's business plan and any capital implications are adequately identified and assessed by management through appropriate stress testing and that mitigating actions are implemented.
- j) **Regulation and Compliance:** Review relationships with regulatory authorities in relevant jurisdictions and developments in the regulatory environment.
- k) **Risk Capital:** Review the methodology and assumptions for determining economic and regulatory capital requirements, ensuring that the assumptions and calibrations used reflect Bupa Arabia's forward-looking risk profile. Review the annual stress and scenario testing program.
- l) **Actuarial Function Report:** At least annually review and approve the Actuarial Function report.
- m) **Strategic Transaction Risk:** Advise the Board, as required, on proposed strategic transactions including acquisitions or disposals, focusing on implications for risk appetite and tolerance, taking independent, external advice where appropriate.
- n) Ensuring the feasibility of the Company continuation, the successful continuity of its activities and determining the risks that threaten its existence during the following twelve months.
- o) Verifying the independence of the risk management employees from activities that may expose the Company to risk.
- p) Ensuring that the risk management employees understand the risks threatening the Company and seeking to raise awareness of the culture of risk.
- q) **Other Matters Referred by the Board:** Consider any other matters relevant to the Company's Corporate Governance and/or Risk Management that are referred to it by the Board.
- r) **Access for/to the Chief Risk Officer:** Ensure that the Chief Risk Officer has direct access to the Chairman and other members of the RMCGC and that the Chairman and members of the Committee have direct access to the Chief Risk Officer.
- s) **Liaison with Other Committees:** Work and liaise as necessary with all other Board Committees.

Risk Division

- a) Approve the appointment and removal of the Chief Risk Officer;
- b) Review the activities, resources and organizational structure of the Risk Division and ensure that no unjustified restrictions or limitations are made;
- c) Approve the appointment, promotion or dismissal of the Risk Division Leadership through recommending to the Board, after obtaining Company Regulators' written non-objection, as applicable; and, if necessary, discuss with an External Advisor the standard of work of the Risk Division;
- d) Determine the monthly salary, bonus and other remuneration of the Risk Division in accordance

Bupa Arabia Risk Management Committee Charter

Version: **2**

Document Owner: Risk Management Committee Secretary

Board Approval Date: **30 November 2017**

General Assembly Meeting Approval Date: **30 November 2017**

with the Company's internal policies as approved by the Board;

- e) Review the effectiveness of the Risk Division and ensure that it has appropriate standing within the Company;
- f) Review the effectiveness of the Risk Division Leadership positions and ensure that it has appropriate level of seniority;
- g) Meet separately with the Chief Risk Officer to discuss any matters that the Committee or the Risk Division Leadership believe should be discussed;
- h) Ensure that risks beyond Bupa Arabia approved risk appetite reported by the Risk Division and management's proposed response/mitigation strategies are received, discussed and appropriately acted on; and
- i) Review the proposed Risk Division strategy and plan for the coming year and ensure that it addresses key areas of risk, and that there is appropriate co-ordination with the Internal Audit and Compliance functions.

7. Reporting and Evaluating Performance Responsibilities

The Board – The Chairman of the Committee (or a Committee member, or the Committee Secretary, if nominated by the Chairman) shall report to the Board on the proceedings of each Committee meeting. The Committee shall provide the Board with formal reports and recommendations on a routine periodic basis, and at least annually.

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

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

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

Evaluation of Performance – The Committee shall assess the achievement of the duties specified in the Charter and report the findings to the Board. The Committee shall support the N&RC, and/or the Board, in the evaluation of the Committee's, and/or the Committee's members' performance, as and when required.

8. Review of the Committee Charter

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

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

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

Bupa Arabia Risk Management Committee Charter

Version: **2**

Document Owner: Risk Management Committee Secretary

Board Approval Date: **30 November 2017**

General Assembly Meeting Approval Date: **30 November 2017**

9. Other Matters

The Committee shall:

Audit Committee (AC) – Support the AC in evaluating the overall effectiveness of the internal control, risk management framework/processes, corporate governance framework/processes, monitoring compliance with laws and regulations particularly with regard to corporate governance and risks that impact on the Company's financial reporting and its code of business conduct. To also support the AC review of the results of management's investigations and follow-up (including disciplinary action) of any fraudulent acts of non-compliance.

Other Projects – Undertake any other projects, as requested by the Board.

10. Corporate Governance Standards

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

11. Definitions

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