



Bupa Arabia for Cooperative Insurance Co. invites its shareholders to attend the Extraordinary General Assembly Meeting to increase the Share Capital (first meeting).

The Board of Directors of Bupa Arabia for Cooperative Insurance Company (the Company or Bupa Arabia) hereby cordially invites the shareholders to attend the Extraordinary General Assembly Meeting, to be held on Thursday 14th Rabe' AlAwwal 1440H, corresponding to 22nd November 2018G, at 20:30 at Bupa Arabia's Jeddah Head Office, Prince Saud Al-Faisal Street, Al-Khaleidiyah District, Jeddah, as per Google Maps location <https://goo.gl/maps/xhifFv2Mt832>, to consider and vote on the resolutions per the attached agenda.

Bupa Arabia also draws the attention of its shareholders to the following:

Any shareholder of Bupa Arabia has the right to attend this General Assembly meeting, either in person or through a proxy, provided a registered shareholder in the register of the shareholders of Bupa Arabia as per the securities Depository Center shareholder registry at the close of trading of the date of the Extraordinary General Assembly Meeting, as per the rules and regulations.

The quorum for holding the Extraordinary General Assembly Meeting is 50% of the Company's capital overall, as per article 33 of the Company's By-Laws. In the absence of a quorum required for holding the meeting, a second meeting can be held one hour after the end of the period specified for the first meeting. The second meeting shall be valid if attended by shareholders representing at least 25% of the Company's capital.

For those who cannot attend they have the right to assign another person (as long as not a Board member and not an employee of Bupa Arabia) to attend the General Assembly on his/her behalf under a written Power of Attorney (POA) (please refer sample at the end of this communication) and which must be attested/certified by a recognized authority, such as the following:

- Industrial Commercial Chambers if the shareholder is an affiliate in one of them. This is also applicable if the shareholder is a company or juristic personality.
- Saudi banks provided that the assignee has an account at the ratifying bank.
- Official notary office.

POAs must be submitted to the Bupa Arabia Head Office located in Prince Saud Al-Faisal Street in Jeddah, P.O. Box 23807, Jeddah 21436 or it may be sent by Fax to facsimile number: +966 (0) 12 692 0525 at least two (2) days prior to the Extraordinary General Assembly Meeting. On the Extraordinary General Assembly Meeting date, the POAs will be presented.



Any shareholders that are interested in attending the Extraordinary General Assembly Meeting are kindly requested to arrive at the meeting place before the scheduled time in order to allow some time to finalize the registration procedures, and to bring their Saudi identification document (Saudi nationals) or Iqama (non-Saudi).

Bupa Arabia would like to confirm the availability of the remote electronic voting system, for voting on the agenda items, for those shareholders registered on the Tadawulaty system provided by the Saudi Stock Exchange (Tadawul).

The electronic voting period will start from 10:00 on Sunday 18th November 2018G, and will end on Thursday 22nd November 2018G, at 16:00. To note that registration and voting on the Tadawulaty system is freely available to all Tadawulaty registered shareholders by using this link: www.tadawulaty.com.sa

For any further information please contact the Company through e-mail, to invest@bupa.com.sa, or call the Legal Affairs & Corporate Governance Department, during business hours to 920000456 extension 5412, and an authorized Company representative will respond to your query.



BUPA ARABIA FOR COOPERATIVE INSURANCE CO.

**22nd NOVEMBER 2018 EXTRAORDINARY GENERAL ASSEMBLY
MEETING AGENDA RESOLUTIONS.**

Resolution (1): To approve increasing the share capital from SAR 800 Million to SAR 1,200 Million by capitalizing SAR 400 Million from the retained earnings account, thereby increasing the capital by 50%, and thereby increasing the number of shares from 80M shares to 120M shares, through offering 1 bonus share for every 2 shares owned. The objective of this recommendation based on the Board's desire to support and strengthen Bupa Arabia's capital base to enable it to achieve growth in the Company's business and expand its activities over the coming years. The date of entitlement to the bonus shares will be to any shareholders owning shares as per the securities depository centre shareholder registry two days after the date of the Extraordinary General Assembly Meeting. In the event of fractions of shares resulting from the capital increase, they will be grouped into one portfolio and sold at the market price and then the proceeds of the sale of the fractional shares distributed to the entitled parties on the date of entitlement, according to their shares and on the basis of the average selling price per share, and which shall be completed within a period not exceeding 30 days from the date of distribution of the correct shares to the beneficiaries according to the regulations. (as attached),

Resolution (2): To approve the appointment of Mr. Martin Houston (Non-Executive), as board member representing the foreign shareholders, Bupa Investment Overseas Limited effective from 01/10/2018G, to complete the current board term, which ends on 30/06/2019G, as a replacement of the resigned board member, Mr. Aamer Alireza, (as attached),

Resolution (3): To approve the appointment of Mr. Sulaiman Naser AlHatlan Alkahtani as a member of the Audit Committee, effective from 01/06/2018G, to complete the current office term of the Committee, which ends on 30/06/2018G, (as attached),

Resolution (4): To approve the changes in Article 8 of the Company's By-Laws which is the change to the Company's capital and the number of shares issued, provided Resolution 1 of this meeting has been approved, (as attached),

Resolution (5): To approve the changes in Article 20 of the Company's By-Laws which is a change to align the Company's By-Laws with SAMA circular 166 (as attached)

Resolution (6): To approve the changes in Article 30 of the Company's By-Laws which is a change to align the Company's By-Laws with the new Company's Law (as attached)

Resolution (7): To approve the changes in Article 43 of the Company's By-Laws which is a change to align the Company's By-Laws with the new Company's Law (as attached)

Resolution (8): To approve the changes in the Executive Committee Charter (as attached),

Resolution (9): To approve the changes in the Risk Management Committee Charter (as attached),



Resolution (10): To approve the changes in the Nomination and Remuneration Committee Charter (as attached),

Resolution (11): To approve the changes in the Investment Committee Charter (as attached),

Resolution (12): To approve the Audit Committee Charter (as attached),

Resolution (13): To approve the changes in the Board of Directors Charter (as attached),

Resolution (14): To approve the changes in the Code of Corporate Governance (as attached),

Resolution (15): To approve the ratification of the business and contracts between Bupa Arabia for Cooperative Insurance Co. and My Clinic International Medical Company Limited, for the year 2018G, for providing on-site clinic services for Bupa Arabia employees on the Bupa Arabia premises, noting that Mr. Loay Nazer and Mr. Tal Nazer have/had/will have an interest as owners of My Clinic International Medical Company Limited. Noting that the value of this contract is 130 Thousand Saudi Riyals (as attached),

Resolution (16): To approve the ratification of the business and contracts between Bupa Arabia for Cooperative Insurance Co. and the Saudi Ground Services Co., for the year 2018G, to provide health insurance for their employees, noting that Mr. Abdulhadi Shayif has/had/will have an interest as a Board member of Saudi Ground Services. Noting that the value of the contract is 94,000 Thousand Saudi Riyals (as attached),

Resolution (17): To approve the ratification of the business and contracts between Bupa Arabia for Cooperative Insurance Co. and NCB Capital, for the year 2018G, to provide investment services, of which fees (Fund Management Fees, 110 Thousand Saudi Riyals - Equity DPM Management Fees, 624 Thousand Saudi Riyals - Deposits Brokerage Fees, 556 Thousand Saudi Riyals) noting that Dr. Adnan A. Soufi has/had/will have an interest, as a Board member of NCB Capital. Noting that the value in 2018 to the end of September was 1,290 Thousand Saudi Riyals (as attached).



Power of Attorney Form	
Date:	
Corresponding to:	
I with national ID number..... issued from in my [personal] capacity or [as an authorised signatory/Chairman/manager[name of authorising company] and the owner of shares of Bupa Arabia for Cooperative Insurance Company, Commercial Registration number 4030178881, and pursuant to Article 25 of the Company's By-Laws hereby authorise to attend the Extraordinary General Assembly Meeting to be held on Thursday 14 th Rabe' AlAwwal 1440H, corresponding to 22 nd November 2018G, at 20:30 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 Extraordinary General Assembly Meeting. This authorisation is valid for this meeting and any subsequent adjourned meeting	
Full name of the person signing the POA:	
Capacity of the person signing the POA:	National ID number of the person signing the proxy or Iqama ID (for non-Saudis) or its equivalent:
Signature (Stamp if a legal entity):	

RESOLUTION 2:

القرار 2:

To approve the appointment of Mr. Martin Houston (Non-Executive), as board member representing the foreign shareholders, Bupa Investment Overseas Limited, effective from 01/10/2018G, to complete the current board term, which ends on 30/06/2019G, as a replacement of the resigned board member, Mr. Aamer Alireza.



Mr. Martin Houston
(Non-Executive Member)

**Representing the foreign Shareholder:
(Bupa Investments Overseas Limited
(BIOL))**

Mr. Martin Houston is based in the USA and is a non-executive director, appointed in January 2014, of the main Board of Bupa, the international healthcare group based in London, England, and which is the ultimate owner of the Bupa Arabia major shareholder BIOL.

Mr. Houston is also the Vice-Chairman of Tellurian Incorporated, the Vice-Chairman of Hakluyt North America and, in March 2018, was appointed by Moelis and Company as the Chairman of its Global Energy Group.

Martin was previously employed by the BG Group plc, retiring after 32 years, in 2014, as Chief Operating Officer and a member of its Board. Between 2015 and 2018 Martin was the chairman of TPH International, a boutique investment bank based in Houston, Texas, USA.

Mr. Martin Houston has a Bachelor's degree in Geology, from the Newcastle University, England, UK, completed during 1979, and a Master's in Petroleum Geology, from the Imperial College London, England, UK, completed during 1983.

التصويت على توصية مجلس الإدارة بتعيين السيد / مارتن هيوستن عضواً في مجلس الإدارة (عضو غير تنفيذي ممثلاً لشركة بوبا إنفستمننت أوفرسيز ليميتد) اعتباراً من تاريخ 2018/10/01، لإكمال دورة المجلس حتى تاريخ انتهاء الدورة الحالية في 2019/06/30، خلفاً للعضو المستقيل الأستاذ / عامر علي رضا.

مارتن هيوستن
(عضو غير تنفيذي)

**والذي يمثل الشريك الأجنبي:
(شركة بوبا إنفستمننتس أوفرسيز ليميتد)**

علماً بأن السيد/ مارتن هيوستن، مقيم في الولايات المتحدة الأمريكية وهو عضو مجلس إدارة غير تنفيذي في مجموعة بوبا منذ 2014، وهي عبارة عن مجموعة دولية للرعاية الصحية ومقرها في لندن المملكة المتحدة، وهي المالك الرئيسي لشركة بوبا إنفستمننت أوفرسيز ليميتد الشريك الأكبر في بوبا العربية.

ويشغل السيد/ مارتن هيوستن، أيضاً منصب نائب رئيس مجلس إدارة شركة تلورين انكوربوريتد ونائب رئيس مجلس إدارة شركة هكليت نورث أمريكا وفي مارس 2018 تم تعيينه في موليس اند كومباني كرئيس مجلس الإدارة لمجموعة الطاقة الدولية.

مارتن كان موظف سابق في بي جي جروب و تقاعد بعد 32 عاماً في الخدمة كرئيس تنفيذي للعمليات و عضو مجلس الإدارة و بين عامي 2015 و 2018 كان مارتن رئيس مجلس إدارة شركة تي بي اتش إنترناشونال ، بنك إستثماني مقره في هيوستن ، تكساس ، الولايات المتحدة الأمريكية.

الأستاذ/مارتن حصل على شهادة البكالوريوس في الجيولوجيا من جامعة نيوكاسل في إنجلترا، المملكة المتحدة عام 1979، وشهادة الماجستير في الجيولوجيا البترولية من إمبريال كولج لندن، إنجلترا، المملكة المتحدة عام 1983.

RESOLUTION 3:

القرار 3:

To approve the appointment of Mr. Sulaiman Naser Alhatlan Alkahtani as a member of the Audit Committee, effective from 01/06/2018G, to complete the current office term of the Committee, which ends on 30/06/2019G.



Sulaiman Naser Alhatlan Alkahtani (Audit Committee Member)

Mr. Sulaiman Naser Alhatlan Alkahtani holds a Master of Science Degree in Accountancy, from the San Diego State University, USA, obtained in 1998, and a Bachelor's Degree in Accounting, from the King Saud University, obtained in 1994, and has extensive Board and Committee membership experience in Saudi Arabia as he was the Vice-Chairman and Audit Committee Chairman, between 2012-2014, of the Arabian Shield Insurance Co. and of Aljazeera for Home Appliances between 2010-2012.

He is currently an Audit Committee member of Almarai and Bank Albilad, Thakher RE Development and he is also the Chairman of the Nomination & Remuneration Committee of Maharah HR Company.

Mr. Sulaiman Naser Alhatlan Alkahtani is also a Board Member of Maalem Financing Company and is a partner, Board Member, and the CEO, of the House of National Consulting Company (HNC Company).

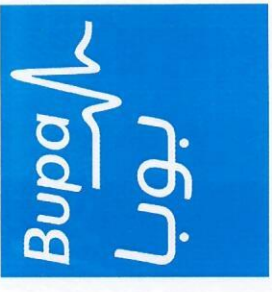
التصويت على قرار مجلس الإدارة بتعيين الأستاذ / سليمان ناصر الهتلان القحطاني عضواً مستقلاً في لجنة المراجعة من خارج مجلس الإدارة اعتباراً من تاريخ 2018/06/01، لإكمال دورة المجلس حتى تاريخ انتهاء الدورة الحالية في 2019/06/30.

سليمان ناصر الهتلان القحطاني (عضو لجنة المراجعة)

يحمل الأستاذ/ سليمان بن ناصر آل هتلان القحطاني شهادة الماجستير في المحاسبة من جامعة سان دييغو في الولايات المتحدة الأمريكية حصل عليها في عام 1998م، بالإضافة إلى شهادة البكالوريوس في المحاسبة من جامعة الملك سعود حصل عليها عام 1994م ، ويحظى الأستاذ/ سليمان بن ناصر آل هتلان القحطاني بخبرة واسعة في مجال المحاسبة والمراجعة من خلال عضويته لعدد من مجالس الإدارات و اللجان التابعة لها حيث شغل منصب عضو مجلس إدارة ورئيس لجنة المراجعة لشركة الدرع العربي للتأمين بين عامي 2012 – 2014 و أيضاً لشركة الجزيرة للأجهزة المنزلية بين عامي 2010 – 2012.

بالإضافة إلى عضويته الحالية في لجان المراجعة لشركة المراعي وبنك البلاد وشركة ذاكر للتطوير و رئيس للجنة الترشيحات والمكافآت في شركة مهارة للموارد البشرية.

الأستاذ/ سليمان ناصر الهتلان القحطاني يشغل أيضاً عضوية مجلس إدارة ورئيس لجنة المراجعة في شركة معالم المالية، وهو شريك وعضو مجلس إدارة والرئيس التنفيذي لشركة بيت للاستشارات الوطني.

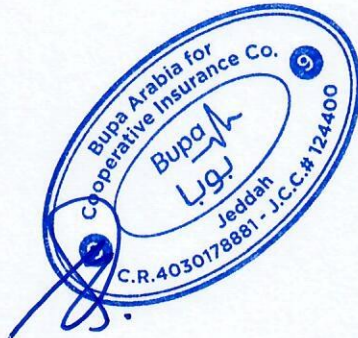


Proposed 2018 Q4 Changes to the Company's By-Laws - Comparison Table – Board Approved 24 Oct 2018

#	Article #	Current Wording	Proposed New Wording	Rationale
1.	Article 8	The Company Capital is SR800,000,000, Eight hundred million Saudi Riyals, divided into 80,000,000, Eighty million, shares of equal value. The value of each share is SR10, ten Saudi Riyals, all of which are Ordinary cash shares.	The Company Capital is SR800,000,000 Eg## SR1,200,000,000, One Billion and Two hundred million Saudi Riyals, divided into 80,000,000 Eighty 120,000,000, One Hundred and Twenty million shares of equal value. The value of each share is SR10, ten Saudi Riyals, all of which are Ordinary cash shares.	To reflect the proposed increase in the Company Share Capital (through the issuance of Bonus Shares): SR400m through 40m new issued shares.
2.	Article 20 The Chairman of the Board has the right by a written decision to delegate some of his powers to other members of the Board, or to a third party in a direct action or specific action, and to give the right to agents to appoint others. The Board of Directors determines the salaries, allowances and bonuses for each of the Managing Director and Chief Executive Officer....The Chairman of the Board has the right by a written decision to delegate some of his powers to other members of the Board, or to a third party in a direct action or specific action, and to give the right to agents to appoint others. The Chairman has the right to issue power of attorneys or authorization letters to one or more persons, for some or all the above authorities. The Board of Directors determines the salaries, allowances and bonuses for each of the Managing Director and Chief Executive Officer.....	To ensure that the Chairman has the right to delegate all or some of his authorities to others so the operating activities of the business are not hindered.
3.	Article 20represent the company at the Ministry of Commerce and Investment, Chambers of Commerce and Saudi Arabian General Investment Authority, for issuing commercial registrations, licenses, renewal and cancellation, adding and deleting activities, opening branches and appointing its managers, obtaining electronic services, receiving symbols and passcodes, registering brand names and trademarks, filing objections to the registration of trademarks.....represent the company at the Ministry of Commerce and Investment, Chambers of Commerce and Saudi Arabian General Investment Authority, for issuing commercial registrations, licenses, renewal and cancellation, adding and deleting activities, opening branches and appointing its managers, obtaining electronic services, receiving symbols and passcodes, registering brand names and trademarks, filing objections to the registration of trademarks. The CEO also, with the written decision of the majority of the Board, has the authority to incorporate subsidiary companies and to visit the Ministry of Justice, the Ministry of Commerce and Investment, the General Investment Authority, the Chamber of Commerce, the General Authority for Zakat and Income Tax, Public Notaries, and all other relevant competent authorities required to finalize the	To grant the CEO more operational authorities in relation to incorporating new companies to avoid the obstacles Bupa Arabia faced during the incorporating of the TPA company.



		<p>incorporation of subsidiary companies, and to appoint and terminate the employees of the subsidiary companies.</p>	
<p>4.</p>	<p>Article 30</p> <p>..This invitation published in the newspaper distributed in the area where the Headquarters of the Company are, at least ten (10) days before the specified date, and to send a copy of the invitation and agenda to the Capital Market Authority. However sufficiency may be invited in the time mentioned to all shareholders by registered letters. A copy of the invitation and agenda to be sent to the Capital Market Authority during the period specified for publication.</p> <p>2. The Chairman of the Board, the Chief Executive Officer, and the Chief Financial Officer shall sign the documents listed in paragraph (1), and deposit copies of them in the headquarters of the company at the disposal of the shareholders, at least ten (10) days prior to the date set for the General Assembly.</p>	<p>..This invitation published in the newspaper distributed in the area where the Headquarters of the Company are, at least (10)-ten twenty-one (21) days before the specified date, and to send a copy of the invitation and agenda to the Capital Market Authority and to the Ministry of Commerce and Investment. However sufficiency may be invited in the time mentioned to all shareholders by registered letters. A copy of the invitation and agenda to be sent to the Capital Market Authority during the period specified for publication.</p> <p>2. The Chairman of the Board, the Chief Executive Officer and the Chief Financial Officer shall sign the documents listed in paragraph (1), and deposit copies of them in the headquarters of the company at the disposal of the shareholders, at least ten (10) twenty-one (21) days prior to the date set for the General Assembly.</p>	<p>To reflect the change from 10 to 21 days in the Companies Law as amended by Ministerial Resolution # 403 dated 10/04/2018 and to include that the invitation and agenda to also be sent to the MoCI.</p>
<p>5.</p>	<p>Article 43</p> <p>2. The Chairman of the Board, the Chief Executive Officer, and the Chief Financial Officer shall sign the documents listed in paragraph (1), and deposit copies of them in the headquarters of the company at the disposal of the shareholders, at least ten (10) days prior to the date set for the General Assembly.</p>		<p>To reflect the change from 10 to 21 days in the Companies Law as amended by Ministerial Resolution # 403 dated 10/04/2018.</p>





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 2018, subject to regulatory approval where applicable, and subject to public shareholders approval, where applicable, on 22nd November 2018.</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 (NRC) recommendation approval, after Board and regulatory approval where applicable, in accordance with the relevant Saudi regulations. The Committee Chairman shall be appointed by the Board, subject to Regulators’ approval thereafter, and the EC may be composed of executive and non-executive members.
This Charter, and also the Company’s Code of Corporate Governance (CCG), contains more details on these role responsibilities.
Knowledge – The Board shall ensure that the members of the Committee are appropriately qualified to discharge their responsibilities.
Confidentiality – Board/Committee members must sign a Confidentiality Agreement with the Company and at all times maintain the strictest confidentiality of all the matters discussed through, or associated with, the Board/Committee’s activities, whether the Board/Committee member has ceased to be an active or current Board/Committee member or not.
Disclosure of Interests – Committee members shall disclose any direct or indirect interest in the Company’s business and insurance contracts concluded by it and such interests shall be authorised by the public shareholders in the GA meeting(s) if applicable.
Committee members shall not take part in any business that competes with the Company nor trade in the activities performed by the Company. The Company has the right to claim indemnification for any losses caused by such business or act.
Each member of the Committee shall disclose to the Committee:
a) Any personal financial interest in any matter including, but without limitation to, related party transactions, business and family interests, and
b) Any potential conflict of interest arising from a cross-directorship.
Any such Committee member shall abstain from voting on the relevant matters in relation to which such interest exists and from participating in the discussions concerning such resolutions.
Secretary – The Committee Secretary shall be appointed by the Board from the Company’s staff and shall not be the Secretary of the Audit Committee.
Committee Members Compensation – All Board, and Board Committee, members are entitled to annual compensation if the eligibility requirements have been fulfilled by the member. The Board, and Board Committee, members’ compensation shall be as per the Board, and Board Committee, Member

Bupa Arabia Executive Committee Charter

Version: **6**

Document Owner: Executive Committee Secretary

Board Approval Date: **29 October 2018**

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

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

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), the Underwriting Committee (UC), and the **Cyber Security Committee**, which authority resides with the RMC, and

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

5.11 Recommendation approval to the Board of:

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

5.11.2 Dividends

5.11.3 Changes in Share Capital and/or equity

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

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

6. Roles, Duties and Responsibilities

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

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

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

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6.10	Reviewing and ensuring the appropriateness of the information and materials communicated to the shareholders, including for press releases on matters, and for the general assembly meetings, when requested by the Board.
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 NRC, 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 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 2018**, subject to regulatory approval where applicable, and subject to the public shareholders’ approval, where applicable, on **22nd November 2018**.

Principal Role – The principal role of the Risk Management Committee (“RMC” or “the Committee”) is to assist the Board in its risk management, **cyber security**, and corporate governance strategies and the oversight of risk, **cyber security**, and corporate governance across Bupa Arabia. This includes overseeing the current risk, **cyber security**, and governance exposures and the risk strategy, **cyber security 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, risk and **cyber security** aware culture throughout Bupa Arabia.

The Committee is committed also to excellence in corporate governance, **cyber security**, and risk management and shall make a difference to Bupa Arabia’s business by:

- Being sighted on governance, **cyber security**, and risk and engaging corporate governance, **cyber security**, and risk management to deliver sustainable performance;
- Owning the whole of Bupa Arabia’s corporate governance, **cyber security**, and risk profile and acting on governance, **cyber security**, 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, **cyber security**, 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 five (5) members, as per the Nomination and Remuneration Committee (NRC) recommendation approval, after Board and regulatory approval where applicable, in accordance with the relevant Saudi regulations.

The Board, after its appointment by the General Assembly, shall, after accounting for the NRC 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 (NRC).

Secretary – The Secretary of the Committee shall be appointed by the Board on the recommendation of the NRC. 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 three (3) 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 authorized 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.

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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 cooperate with any request made by the Committee Chairman or the Committee Secretary acting on 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.
 - f. Ensure the Committee regular review of the strategy, policies and processes for the risk management of the Market Risk, and the risk management of the Counterparty default risk, and that the Board is thereafter informed of the Committee's activities on the same.
- 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 and update on a regular basis the design and effectiveness of the Risk Management Framework, relative to Bupa Arabia's activities and which shall specifically include: Non-Life Underwriting Risk, including Reinsurance Risk, Counterparty Risk, Market Risk, and including any sub-risks, which including, but not limited to, interest rate risk, equity risk, property risk, currency risk, spread risk and liquidity risk.
 - e) **Remit and Performance of the Risk Division Functions:** Safeguard the independence of and assess 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) **Cyber Security Oversight:** Oversee the management of the Company's Cyber Security, including the monitoring of the Cyber Security Committee's activities. The Cyber Security Committee's principal role is to assist the Board and the RMC in fulfilling their oversight responsibilities in relation to all matters related to Cyber Security including, where required and applicable, regulatory and other compliance.
 - h) **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.
 - i) **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.
 - j) **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.
 - k) **Regulation and Compliance:** Review relationships with regulatory authorities in relevant jurisdictions and developments in the regulatory environment.
 - l) **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.
 - m) **Actuarial Function Report:** At least annually review and approve the Actuarial Function report.
 - n) **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.
 - o) 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.

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- p) Verifying the independence of the risk management employees from activities that may expose the Company to risk.
- q) Ensuring that the risk management employees understand the risks threatening the Company and seeking to raise awareness of the culture of risk.
- r) **Other Matters Referred by the Board:** Consider any other matters relevant to the Company's Corporate Governance and/or Risk Management and/or Cyber Security that are referred to it by the Board.
- s) **Access for/to the Chief Risk Officer:** Ensure that the Chief Risk Officer has direct access to the Chairman and other members of the RMC and that the Chairman and members of the Committee have direct access to the Chief Risk Officer.
- t) **Liaison with Other Committees:** Work and liaise as necessary with all other Board Committees.
- u) **Meeting with the Board of Directors:** The RMC will meet with the Board and Senior Management at least once per annum to inform the Board of the decisions relating to the establishment and on-going monitoring of the risk appetite statements and the risk exposures as well as highlighting any material changes in the current risk appetite / risk exposure levels, and/or any regulatory expectations regarding risk appetite / risk exposure.

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 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, including the policies and processes for the management of Non-Life Underwriting Risk, including Reinsurance Risk, Counterparty Risk, Market Risk, and that there is appropriate co-ordination with the Internal Audit and Compliance functions.
- j) Ensure that management establishes an enterprise risk profile for the company, that the RMC evaluates and updates this enterprise risk profile on a regular basis, that it covers monitoring and reporting on Non-Life Underwriting Risk, including Reinsurance Risk, Counterparty Risk, Market Risk, and that it is shared with the Board on a regular basis.

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- k) Ensure that a formal communication process exists through which the Board and Senior Management, are provided with sufficient information to assess the nature and level of, the Company's operational risk, through the sharing of operational risk reports to the RMC, and thereafter the Board on a regular basis.
- l) Ensure that the annual operating plans submitted to the Board are in line with the Board approved risk appetite statements.

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 NRC, and/or the Board, in the evaluation of the Committee's, and/or the Committee's members' performance, as and when required.

8. Review of the Committee Charter

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;

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.



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

1. Constitution, Principal Role and Term

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

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

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

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

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

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

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

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

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

2. Membership, Chairman and Secretary

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

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

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

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

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

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

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

Each member of the Committee shall disclose to the Committee:

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

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

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

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

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

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

3. Meetings

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

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

Bupa Arabia Nomination & Remuneration Committee Charter

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Board Approval Date: **29 October 2018**

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

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

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

4. Proceedings

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

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

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

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

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

5. Authorities

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

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

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

6. Roles, Duties and Responsibilities

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

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

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

With regard to Nominations:

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

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

With regard to Remuneration:

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

Through the Remuneration policies and procedures to;

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

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

With regard to onboarding and training:

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

7. Reporting and Evaluating Performance Responsibilities

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

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

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

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

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

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

8. Review of the Committee Charter

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

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

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

9. Corporate Governance Standards

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

10. Definitions

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



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

1. Constitution, Principal Role and Term
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 2018 , subject to regulatory approval where applicable, and subject to public shareholders approval, where applicable, on 22nd November 2018 .
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.
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.
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.
Each member shall hold office as a Committee member for a period of up to three (3) years, which may be extended for further periods of up to three (3) years, subject to Board approval, and provided the regulations allow it.
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 (NRC) 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 NRC recommendation, subject to the regulators’ approval thereafter.
At least one member of the IC must be independent.
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 Company’s Board, or executives, or have any financial or business relationship therewith, but may be members,

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provided that they are recommended by the NRC, 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 NRC 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 NRC 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 preferably not have any direct or indirect interest in the Company's business and contracts concluded by it.

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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 NRC, 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 NRC. 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 Policies 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;

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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: 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. <u>Proceedings</u>
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).

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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 authorized 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;
 - 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;
- o) ensure that management routinely provides the Committee with status reports relating to performance, and which include the status of Market Risk, and Counterparty Risk, versus the Board approved Risk appetites.

6. Roles, Duties and Responsibilities

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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.
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 asset allocation including buy/sell points;
j) consider reviewing the implementation of the investment policy on a quarterly basis;
k) monitor the overall risks of the investment policy, including specifically the Market Risk, and the Counterparty Risk, and the associated risk management;
l) ensure investment performance review reports are routinely provided to the Board and that they include updates on the Market Risk and the Counterparty Risk;
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;
p) Ensure the Committee regular review of the strategy, policies and processes for the management of the Market Risk, and the management of Counterparty default risk, and that the Board is thereafter informed of the Committee's activities on the same.
7. Reporting and Evaluating Performance Responsibilities

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<p>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.</p>
<p>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.</p>
<p>Ensure that the Committee meeting minutes are prepared, by the Committee Secretary, and that they are reviewed and authorized by the Committee Members who attended and the Committee Secretary, and are thereafter shared with the Board.</p>
<p>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.</p>
<p>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</p>
<p>General Assembly (GA) Meetings – The Chairman of the Committee, or Committee member delegated by the Chairman if applicable, must attend the Company’s GA Meeting(s) so as to be available to respond to any questions of the Shareholders on the Committee’s activities and areas of responsibility.</p>
<p>Evaluation of Performance – The Committee shall assess the achievement of the duties specified in the Charter and report the findings to the Board. The Committee shall support the N&RC, and/or the Board, in the evaluation of the Committee’s, and/or the Committee’s members’ performance, as and when required.</p>
<p>8. <u>Review of the Committee Charter</u></p>
<p>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.</p>
<p>The Committee shall make available its Charter on request and by including it on the Company’s website.</p>
<p>9. <u>Corporate Governance Standards</u></p>
<p>The Company Corporate Governance Standards are defined in the Company Code of Corporate Governance (CCG).</p>
<p>10. <u>Definitions</u></p>
<p>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.</p>

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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 2018, subject to regulatory approval where applicable, and subject to the public shareholders’ approval, where applicable, on 22nd November 2018.

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 member

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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.

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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.

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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;

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- b) Engage any external consultant to seek assistance in doing specific tasks in order to support the Committee 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;

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

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

- 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 issues 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,

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- reappointment or termination of the External Auditors. This may include ensuring that the nominated External Auditors have the necessary experience in auditing Insurance and/or Reinsurance Companies;
- 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.

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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.

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