



Saudi Arabian Cooperative Insurance Company (SAICO)

Social Liability Policy

The regulation approved by Board of Directors Resolution No. 131 dated 21/04/2024 AD and approved by the General Assembly on 00/00/2024 AD



Table of Contents:

Article (1): General Introduction:

Article (2): Definitions

Article (3): Policy Scope:

Article (4): Policy Objectives:

Article (5): The basic rules and provisions for social responsibility activities and programs:

Article (6): Ethical Standards for Company Relationships with Stakeholders:

Article (1): General Introduction

The company aims to contribute effectively to social responsibility in accordance with the systems and laws issued by the relevant authorities, through the initiatives it provides in social work, its contribution to participation, support and adoption of social work and environmental protection, and the company also strives to encourage stakeholders to participate in social work, whether inside or outside the company.

Article (2): Definitions

- Saudi Arabian Cooperative Insurance Company (SAICO)
- **Social Liability** It is a religious and ethical commitment to society, based on which establishments make voluntary contributions to social work, and integrate social and environmental initiatives into their commercial activities to achieve the required solidarity and cooperation in many fields that will achieve sustainability and comprehensive development for society in all its categories.
- "Corporate Social Responsibility (CSR) Team"
- It is a group of some of the company's employees or from outside it, work is coordinated between them to carry out targeted activities, initiatives, and programs in line with the company's goals in community development. Sustainable development: It is a specific mechanism that ensures meeting the requirements of the present time while ensuring its continuity for future generations in the future.
- Stakeholders are the groups or individuals who have a direct or indirect relationship with the company's activities, initiatives, or development.
- Corporate Social Responsibility (CSR) Initiatives They are programs and activities specifically designed to meet specific social responsibility goals.

Article (3): Policy Scope

The scope of this policy covers the company, including its board of directors, its committees, its executive management, and all employees of the company.

Article (4): Policy Objectives

The Social Responsibility Policy aims to achieve the following:

- 1- Establish a methodology and institutional framework for social responsibility in the company, and disseminate its principles and culture among company members.
- 2- Encourage and motivate company members to raise their awareness of their social responsibilities and create a spirit of cooperation and solidarity towards society.



- 3- Strengthening relationships with stakeholders and building greater trust with the community to enhance the company's image and reputation positively.
- 4- Enhancing financial savings by increasing productivity, resource efficiency, and reducing energy, water, and waste consumption, which has a direct impact on the environment and society.
- 5- Achieving sustainable development for society in general and company members in particular.

Article (5): The basic rules and provisions for social responsibility activities and programs

- 1- The company and all its members are committed to complying with all state systems and related regulations issued by the supervisory and regulatory authorities, and respecting international standards and practices approved by the state in relation to initiatives and participation in social work and activities.
- 2- The company's social responsibility initiatives and programs should not be limited to financial or in-kind contributions, but should also extend to participating in activities and projects that serve the community as a whole or the target group in particular.
- 3- All implemented social programs, initiatives, and activities should be subject to evaluation, review, and measurement according to specific scientific and professional criteria.
- 4- Strive to diversify participation in social programs, initiatives, and activities in various fields, including but not limited to health, education, training and rehabilitation, charity, environmental, and agricultural fields, and avoid limiting them to specific areas.

Article (6): Ethical Standards for Company Relationships with Stakeholders

The company's relationship with the community

- A) The company considers itself an integral part of the community in which it operates and is committed to building its relationship with the community on the foundations of respect, trust, integrity, and justice.
- B) The company strives to create job opportunities for members of the community.
- C) Environmental protection is a top priority for the company, and the company strives to minimize any negative impact of its operations on the environment by reducing waste, emissions, fumes, and optimizing energy use.
- D) All operations and activities should be carried out with a high level of care in accordance with international standards.
- E) The company is committed to helping its community by supporting a range of charitable, educational, and similar activities.
- F) The company strives to build strong relationships with non-governmental organizations (NGOs) to create a better society and maintain the cleanliness and safety of the community as a whole.



Saudi Arabian Cooperative Insurance Company (SAICO)

Saudi Joint Stock Company

**Remuneration Policy for Members of the Board of Directors and its
Affiliated Committees**

Before Amendment



Policy Purpose:

The Company shall abide by the regulations issued by the Ministry of Commerce and Investment and the Capital Markets Authority regulations regarding compensation and remunerations for members of the Board of Directors. This policy aims to lay down the guidelines related to the remuneration of the members of the Board of Directors and the committees emanating from the Board. The Company publishes details of the proposed compensation and bonuses for members of the Board of Directors and committees and includes them in the annual report of the Company that is presented to the shareholders of the Company in the General Assembly meeting.

Remuneration of Board Members and Committee Members:

The minimum annual remuneration for each of the Chairman and members of the Board of Directors shall be (150,000) one hundred fifty thousand Saudi riyals, provided that the maximum limit for the remuneration of any of the Chairman or member does not exceed (500,000) five hundred thousand Saudi riyals annually for their membership in the Board of Directors and their participation in its work, including additional remuneration in the event that the member participates in any of the committees emanating from the Board.

The regulations of the committees emanating from the Board of Directors organize the annual remuneration for a committee member, if any. The annual remuneration is calculated as of the date of the decision to appoint the member.

Each of the Chairman and each member of the Board of Directors shall have an allowance for attending the Board sessions of (3,000) riyals for each session, and an amount of (1,500) riyals for each committee member an attendance allowance for each meeting of the committees emanating from the Board.

Implementation mechanism:

- Remuneration is determined based on the recommendation of the Remuneration and Nomination Committee in the Company that reviews the schedule of members' attendance at Board meetings, its committees, tasks and topics they have undertaken, and submits the appropriate recommendation to the Board to determine the remuneration of the



members of the Board of Directors, provided that the Remuneration and Nominations Committee takes into account when making the recommendation. The Board shall also take into account, when determining and disbursing the remuneration that each member of the Board of Directors will receive, the following criteria:

- A) The remuneration is fair and proportionate to the member's competencies and the work and responsibilities undertaken by the member of the Board of Directors in addition to the objectives set by the Board of Directors to be achieved during the financial year;
- B) The remuneration is commensurate with the activity of the company and the skill required to manage it;
- C) Taking into consideration the sector in which the Company operates, its size and the member's experience;
- D) The remuneration is reasonably sufficient to attract, motivate and retain members with appropriate competence and experience;
- Members of the board may not vote on the item of remuneration of Board members in the General Assembly.
- The Board member who has a license from me may obtain remuneration for any executive, technical or advisory work or positions.
- The member of the Board of Directors who has a license from me may obtain a remuneration for any executive, technical or advisory work or positions assigned thereto in the Company, in addition to the remuneration that he can obtain as a member of the Board of Directors and / or in the committees formed by the Board of Directors according to the Companies Law and the Company's Articles of Association.
- Members remuneration may be of varying amounts to reflect the member's experience, competencies, tasks entrusted thereto, his independence, the number of sessions he attends, and other considerations.
- The remuneration of independent directors shall not be a percentage of the Company's profits, nor shall it be directly or indirectly based on the Company's profitability.
- If it is evident that the remuneration paid to any of the Board members is based on incorrect or misleading information forwarded to the General Assembly or included in the annual report of the Board of Directors, then the Board member shall return thereof to the Company, and the Company has the right to demand that he return thereof. If the General Assembly decides to terminate the membership of any of the members of the Board of Directors, the member is not entitled to any remuneration, and he shall



return all the remuneration that was paid thereto for the period in which his membership was revoked.

- Remunerations and allowances are paid to the Board members and members of the committees emanating from the Board on an annual basis.
- The annual remuneration is divided among the members of the Board of Directors in the event of their resignation and a new board member shall be appointed as of the date of appointment. The remuneration is also divided among the members of the Board in the event of the end of the Board session and the start of a new session as of the date of the start of the session.
- The report of the Board of Directors to the Ordinary General Assembly shall include a comprehensive statement of all the remunerations, attendance allowances, expenses and other benefits that Board members received during the financial year, as well as a statement of what Board members received as employees or administrators or what they received in return for technical, administrative and advisory work previously approved by the General Assembly of the Company.

This policy is subject to the following regulatory documents:

- Companies Law issued by the Ministry of Commerce and Investment in 1437 AH corresponding to 2015 AD.
- The Company's Articles of Association
- Corporate Governance Regulations issued by the Capital Markets Authority
- The regulatory controls and procedures issued in implementation of the Companies Law for listed joint stock companies.

Audit and Enforcement:

This policy is subject to annual audit by the Nomination and Remuneration Committee, and any amendment thereto will be approved after being recommended by the Board of Directors to the General Assembly and approved by the General Assembly.



Saudi Arabian Cooperative Insurance Company (SAICO)

Saudi Joint Stock Company

Remuneration Policy for Executive Management

Before Amendment



Policy Purpose

The Company adheres to the regulations issued by the Ministry of Commerce and Investment and the Capital Markets Authority regulations regarding compensation and remuneration for senior executives. This policy aims to set guidelines regarding the remuneration of senior executives. The Company publishes details of the proposed compensation and remuneration for senior executives and committees and includes them in the Company's annual report that is presented to the Company's shareholders in the General Assembly meeting.

Scope of the Policy

The policy includes employees from all executive and senior administrative levels in the Company, so that the Remuneration and Nomination Committee is determined annually.

Targeted executive and administrative positions (executives) and remunerations are lump sum payments paid to senior executive and administrative positions in addition to basic salaries to reward performance and achievements in exchange for achieving the set annual goals. In general, the purpose of the remuneration is to achieve the following:

- Attracting and maintaining the best talent;
- Stimulating and raising the level of employee performance to achieve the Company's annual goals to reflect the tasks and responsibilities and match them;
- Linking employee performance with the Company's annual goals;
- Equity and fairness so that the remuneration and the associated performance index are clear and measurable and linked to the overall corporate performance and the personal performance of each of the concerned employees. Remunerations are only paid on the basis of the results of a rigorous performance appraisal process;

Performance Based Remuneration Determination:

- The Company's objectives in general, the objectives of the executives, their performance index separately, and the percentage of contribution of each



sector or department in proportion to the tasks and responsibilities are determined at the beginning of the year.

- At the end of each year, the Board of Directors decides whether it wants to grant remuneration based on the recommendation of the Nomination and Remuneration Committee in proportion to the Company's success in achieving its goals related to operations and net profits.
- The values of the remuneration granted to the executives are determined in proportion to the net profit achieved by the Company, the sector's contribution and the individual contribution of the executive in achieving the Company's goals, in addition to the actual service period of the executive in the year of evaluation.
- Remunerations are not intended to offset or add to an executive's payment. The Board of Directors is the body that has the ultimate right to decide whether or not there shall be remuneration, the amount of these remunerations and when they will be paid. In the event that remunerations are approved for employees, it shall not be assumed that any previous payments have established a pattern or formed a precedent that obliges the Company to pay future remunerations.
- Obtaining an annual remuneration is not an automatic matter, and executives may not obtain any remunerations for any year in which the Company does not achieve net profits;
- Executives are not entitled to receive any annual remunerations unless 80% of the financial goal that was approved at the beginning of the year is achieved.
- The remuneration shall not be paid to any executive head of a sector who did not achieve 75% of his goals set at the beginning of the year.
- The remuneration is discontinued or refunded if it appears that it was decided based on inaccurate information.
- The remuneration and its percentage are audited according to performance indicators if the Board of Directors decided, in a specific financial year, to grant shares in the Company to members of the executive management.

Factors affecting calculation of the executive employee remuneration:

- Employee performance
- Sector performance (department or division)
- Functional class



- Level of the sector's (or department's) contribution to achieving the Company's goals
- Performance evaluation system conducted once a year based on the tasks specified in the job description and key performance indicators for the relevant year so that the accomplished work is measured against the realized goals

Implementation Mechanism:

- The executive management submits to the Board the achieved financial results for the past calendar year to determine the remuneration pool according to the approved policy.
- The Board audits the financial results for the past year.
- In the event that the target net profit is achieved, the Board requests the Nomination and Remuneration Committee to determine the size of the remuneration pool based on the approved policy.
- The committee determines the size of the remuneration pool.
- The committee audits the performance evaluation of the Company and its various sectors.
- The committee shall submit to the Board the details of the proposed remuneration pool size and the due sectors.
- After approving what it deems appropriate in regard to this matter, the Board directs the executive management to disburse remuneration and raise what has been done to the Board.

This policy is subject to the following regulatory documents:

- Corporate Governance Regulations issued by the Capital Markets Authority
- The Governance Regulations for Insurance Companies issued by the Saudi Central Bank

Audit and Enforcement:

This policy is subject to annual audit by the Nomination and Remuneration Committee and shall be amended whenever necessary to be in line with the Company's financial position, budget, volume of business and risk expose for each period included in the performance assessment. Any amendment shall be approved after the recommendation of the Board of Directors and the approval of the General Assembly on the amendment.



Saudi Arabian Cooperative Insurance Company (SAICO)

Remunerations Policy for Members of the Board of Directors and its Committees

After Amendment

The Policy was updated by Board Resolution No. 131 dated 2024/04/21 AD and was approved by the General Assembly on 2024/00/00 AD.



Policy purpose:

The company adheres to the regulations issued by the Ministry of Commerce and the Capital Market Authority and the Insurance Authority regarding compensation and bonuses for members of the board of directors. This policy aims to establish the guiding principles related to the compensation of board members and its committees. The company publishes details of proposed compensation and bonuses for members of the board of directors and its committees, including them in the company's annual report presented to the shareholders at the general assembly meeting.

Remunerations for Board and Committee Members.

The minimum annual remunerations for each chairman and member of the Board of Directors is SAR 150,000 (One hundred and fifty thousand Saudi riyals), with the maximum limit for the remunerations of any chairman or member not exceeding SAR 500,000 (Five hundred thousand Saudi riyals) annually for their membership in the board of directors and participation in its activities, including additional remunerations in the case of a member's participation in any committee of the committees arising from the board. The regulations of the committees arising from the board of directors govern the annual remunerations for committee members, if applicable, and the annual remunerations is calculated from the date of the member's appointment decision. Each chairman and member of the board of directors receives an attendance allowance of SAR 3,000 per board meeting, and amount of SAR 1,500 per committee member for attending each meeting of the committees arising from the board. Similarly, the remunerations received by members of the committees arising from the board amount to SAR 1,500 for each member for attending each meeting, in addition to their personal expenses incurred for attending meetings. Furthermore, committee members outside the board of directors receive an annual remunerations of SAR 50,000, disbursed based on the member's attendance percentage at committee meetings.

Execution Mechanism:

1. The Remunerations are determined based on the recommendation of the Remunerations and Nominations Committee in the company, which reviews the attendance record of board members and their committees, as well as the tasks and topics they have undertaken. The appropriate recommendation is then submitted to the board for determining the remunerations for board members. The remunerations and Nominations Committee considers the following criteria when making recommendations, as the board considers them when determining and disbursing the remunerations for each board member:
 - a. The remunerations should be fair and commensurate with the member's qualifications, duties, and responsibilities, as well as the specific objectives set by the board of directors to be achieved during the fiscal year.
 - b. The remunerations should be proportionate to the company's activities and the skill required to manage it.
 - c. The remunerations shall take into account the sector in which the company operates, its size, and the member's experience.
 - d. The remunerations shall be sufficiently reasonable to attract and motivate competent and experienced members, and to retain them.
2. Board members are not allowed to vote on the agenda item regarding the remunerations of board members at the general assembly.
3. A board member who holds a professional license may receive compensation for any executive, technical, or consultancy positions assigned to them within the company, in addition to the compensation they may receive as a board member and/or as a member of committees formed by the board of directors, in accordance with the company's regulations and bylaws.
4. It is permissible for the remunerations of members to vary in amount, reflecting the member's level of experience, expertise, assigned tasks, independence, number of attended meetings, and other relevant considerations.
5. The remunerations of independent board members shall not be a percentage directly or indirectly to the profits generated by the company.
6. If it is found that the remunerations paid to any of the board members are based on inaccurate or misleading information presented to the general assembly or included in the annual board report, the board member must return them to the company. The company has the right to demand their return. If the general assembly decides to terminate the membership of any of the board members, the member is not entitled to any remunerations, and they must return all remunerations paid to them for the period during which their membership was nullified.



7. The remunerations and allowances for board members and members of committees formed by the board are disbursed annually.
8. The annual remunerations are divided among board members in case of resignation and appointment of a new board member, based on the date of appointment. Similarly, the remunerations are divided among board members when the board's term ends and a new term begins, based on the start date of the new term.
9. Board of Directors' report to the Ordinary General Assembly must include a comprehensive statement of all the remunerations, Attendance allowances, and other benefits received by members of Board of Directors during the financial year. It shall also include a statement of what members of the Board received in their capacity as employees or administrators, or what they received in exchange for technical, administrative or consulting work in which General Assembly of the company has previously approved.

The policy is subject to the following regulatory documents:

- The Companies Regulations issued by the Ministry of Commerce.
- The Company's Articles of Association.
- The Corporate Governance Regulation issued by the Capital Market Authority.
- Executive regulations for Companies regulation.

Review and execution:

The policy is subject to annual review by the Nominations and Remunerations Committee. Any amendments to it are endorsed by the Board of Directors and recommended to the General Assembly for approval.



Saudi Arabian Cooperative Insurance Company (SAICO)

Executive Compensations Policy

After Amendment

The Policy was updated by Board Resolution No. 131 dated 2024/04/21 AD and was approved by the General Assembly on 2024/00/00 AD.



Policy purpose:

The company adheres to the regulations issued by the Ministry of Commerce, the Capital Market Authority (CMA), and the Insurance Authority regarding compensation and Remunerations for senior executives. This policy aims to establish guiding principles related to executive bonuses. The company publishes details of proposed compensation and bonuses for senior executives and committees and include it in the annual report presented to the company's shareholders at the Annual General Meeting.

Policy Scope:

The policy encompasses employees at all executive and senior managerial levels within the company, whereby the Remunerations and Nomination Committee annually identifies the targeted executive and senior managerial positions (executives). The bonuses are fixed amounts paid to executive and senior managerial positions in addition to their basic salaries as performance incentives for achieving specific annual objectives. In general, the purpose of the bonus is to achieve the following:

1. recruitment and maintaining the best competencies.
2. Motivating and improving employee performance to achieve the company's annual goals to reflect the tasks and responsibilities and align with them.
3. Linking employee performance to the company's annual goals.
4. Fairness and equity, ensuring that the bonuses and the associated key performance indicator are clear, measurable, and linked to both overall organizational performance and individual performance of each employee involved. Bonuses are only paid based on rigorous performance evaluation criteria.

Setting the remunerations based on performance involves:

1. At the beginning of the year, the company sets general goals as well as individual objectives for executives. Each executive's performance indicators are defined separately, and the contribution percentage of each sector or department is determined according to their respective tasks and responsibilities.
2. At the end of each year, the Board of Directors decides whether to grant bonuses based on the recommendation of the Nomination and bonuses Committee, depending on the company's success in achieving its operational and net profit goals.
3. The values of bonuses granted to executives are determined in proportion to the net profit achieved by the company, the sector's contribution, the individual executive's contribution to achieving company goals, and the actual length of service of the executive during the calendar year.
4. The purpose of bonuses is not to compensate for executive salaries or supplement them. The Board of Directors has the absolute authority to determine whether bonuses shall be awarded or not, the value of these bonuses, and the timing of their payment. In the event that bonuses are approved for employees, it shall not be assumed that any previous payments have established a pattern or formed a precedent obligating the company to pay future bonuses.
5. Receiving an annual bonus is not automatic, and executives are not entitled to any bonuses for any year in which the company does not achieve net profits.
6. Executives are not entitled to any annual bonuses unless 80% of the financial target set at the beginning of the year is achieved.
7. Bonuses are not paid to any executive leading a sector that has not achieved 75% of its set targets at the beginning of the year.
8. The bonus will be halted or reclaimed if it is found to have been decided based on inaccurate information.
9. The bonus and its proportion will be reconsidered based on performance indicators if the Board of Directors decides to grant shares in the company to the executive management members in a specific fiscal year.
10. The Board of Directors ensures that the level and structure of bonuses and compensations encourage prudent practices and avoid taking high risks to achieve short-term returns.
11. The Board of Directors ensures that the level and structure of bonuses and compensations do not create any conflicts of interest that could negatively impact the company's performance.
12. The Board of Directors ensures that the level and structure of bonuses and compensations aim to achieve the interests of the stakeholders, shareholders, and the strategic goals of the company.



Factors influencing the calculation of an executive's remunerations:

1. Employee performance.
2. The performance of the sector (department, or division)
3. grade.
4. The level of contribution of the sector (or department) to achieve the company's objectives.
5. The performance evaluation system is conducted annually based on the tasks specified in the job description and key performance indicators relevant to the respective year. Work accomplished is measured against the achieved objectives.

Execution Mechanism:

1. The executive management presents the financial results achieved for the past fiscal year to the board to determine the reward pool according to the adopted policy.
2. The board reviews the financial results for the past year.
3. If the targeted net profit is achieved, the board requests the bonuses and Nomination Committee to determine the size of the bonuses based on the approved policy.
4. The committee determines the size of the bonuses.
5. The committee reviews the performance evaluation of the company and its various sectors.
6. The committee presents to the board the details of the proposed bonuses size and the eligible sectors.
7. After approving its stance on this matter, the board directs the executive management to disburse the bonuses and report back to the board on the actions taken.

The policy is subject to the following regulatory documents:

- A. The Corporate Governance Regulation issued by the Capital Market Authority.
- B. Insurance Companies Governance Regulation issued by the Insurance Authority.

Review and execution:

The policy is subject to annual review by the Nomination and Remunerations Committee and shall be amended whenever necessary to align with the company's financial position, budget, business volume, and risk appetite for each performance appraisal period. Any amendment is approved after a recommendation from the Board of Directors and the approval of the General Assembly.



Saudi Arabian Cooperative Insurance Company (SAICO)

Saudi Joint Stock Company

Executive Committee Regulations

Before Amendment



Contents

Article (1): General Introduction

Article (2): Powers, Responsibilities and Duties of the Executive Committee

Article (3): Rights of the Executive Committee

Article (4): Selection, Formation and Termination of Service for Members of the Executive Committee

Article (5): Procedures for Meetings of the Executive Committee

Article (6): Remuneration for Members of the Executive Committee

Article (1): General Introduction

- 1- The Executive Committee regulations for the Saudi Arabian Cooperative Insurance Company, a Saudi joint stock company, was prepared in accordance with Article (38) of the Company's Articles of Association, and in accordance with the Corporate Governance Regulations issued by the Saudi Central Bank issued on October 22, 2015 and in light of international best practices for Corporate Governance.
- 2- The regulation specifies the powers, responsibilities and duties of the Executive Committee, how members are selected, how this committee is formed, and how to terminate its service. It also specifies the rights and remuneration of members and the procedures for its meetings.
- 3- The members of the Company's executive committee are appointed by the Board of Directors to attend Board meetings and be able to respond quickly in emergency situations, in addition to assisting the Board in performing its supervisory tasks efficiently and effectively, especially with regard to defining the Company's strategic objectives, financial and operational priorities, and making special recommendations with regard to profit distribution policy, in addition to evaluating the long-term productivity of the Company's operations.

Article (2): Powers, Responsibilities and Duties of the Executive Committee

- 1- The committee exercises all powers and assumes the duties of the Board of Directors in the period among Board meetings.
- 2- The committee discusses and makes decisions related to issues that need urgent decision-making in emergency events.



- 3- The committee's responsibilities include taking routine decisions that are required by the Company's normal business.
- 4- The committee shall do the following regarding the Company's strategy and objectives:
 - A) Auditing the Company's strategic planning procedures and processes in cooperation with the managing director or the CEO;
 - B) Ensuring that the Company's strategic plans have been translated into actual actions and actions aimed at achieving the Company's goals;
 - C) Reviewing the recommendations of the managing director or chief executive officer regarding the distribution of the Company's resources aimed at achieving compatibility between the Company's strategic plans and its long-term operational goals;
 - D) Periodically reviewing the strategic plans of the Company, its subsidiaries and subsidiaries, and the operational goals to ensure that they are consistent with the Company's mission and goals;
- 5- With regard to the Company's operational priorities, the committee audit and prepares the Board of Directors' recommendations regarding strategic decisions related to operational priorities that include expansion into new markets and countries or exit from existing markets and countries.
- 6- The committee shall do the following regarding the financial planning of the company and the profit policy:
 - A) Preparing and reviewing recommendations of the Board of Directors related to annual and long-term financial goals and strategies, as well as related performance indicators;
 - B) Auditing important matters for the Company and its branches and subsidiaries, such as matters related to the Company's capital, the Company's credit rating, cash flows, borrowing activities, and investment deposits, in cooperation with the Company's executive management and the Audit Committee;
 - C) Preparing and reviewing recommendations made to the Board of Directors related to the company's dividend policy and how to implement it.
 - D) Periodic review of actual capital expenditures and comparison with budgets approved prior to them;
- 7- With regard to evaluating the Company's long-term productivity and the effectiveness of its operational process, the committee reviews and prepares the Board of Directors' recommendations regarding the strategic decisions



related to the available opportunities that aim to improve the quality of the products offered by the Company and rationalize the costs related thereto.

Article (3): Rights of the Executive Committee

- 1- The Committee has the following rights:
 - A) Requesting appropriate documents, reports, clarifications, and other information from company officials, executives and employees;
 - B) Inviting the Company officials, executives and employees to its meetings to ask them and hear their explanations;
 - C) Seeking the services of experts and consultants from outside the Company;
 - D) Performing other tasks requested by the Board of Directors and which fall within the authority of the committee;
 - E) The committee performs an annual review and evaluation of its regulations in order to ensure that it fulfills its duties, and submits recommendations to the Board of Directors regarding making amendments thereto;
- 2- The committee shall submit a periodic report on its activities to the Board of Directors, not less than once every six months.
- 3- In addition, the members of the committee shall do the following:
 - A) Participating in the activities and work of the committee, and attend all meetings;
 - B) To be fully aware of all developments in the business environment in which the Company operates;
 - C) Considering all the information that they learned about because of their work in the committee confidential;
 - D) Informing the Board of Directors in the event of a conflict of interest resulting from decisions taken by the committee.
 - E) Preparing an annual review and evaluation of the activities of the committee and its members, including reviewing the degree of compliance of the committee with its regulations.

Article (4): Selection, Formation and Termination of Service for Members of the Executive Committee



- 1- The number of committee members shall not be less than three and not more than five, and they are chosen by the majority of the votes of the members of the Board of Directors.
- 2- The term of membership of the committee shall coincide with the term of membership of the Board of Directors.
- 3- Committee members shall be selected from among the members of the Board of Directors only.
- 4- Committee members shall have the appropriate knowledge, experience and skill in dealing with the principal executives of the Company.
- 5- The Board of Directors may at any time terminate the service of any member of the Committee and select another member.
- 6- The committee selects a head according to the majority of its members' votes, after obtaining no objection from the Saudi Central Bank.

Article (5): Procedures for Meetings of the Executive Committee

- 1- The Secretary of the Board of Directors acts as the secretariat of the committee.
- 2- The committee holds (6) at least six meetings annually.
- 3- Committee meetings are held as required by the interest of work. The meeting of the committee shall be preceded by a meeting of the Board of Directors if the Board is to discuss issues that fall within the competencies of the committee.
- 4- The meeting is called by the committee head, members, or by the Board of Directors
- 5- The committee meeting is valid if it is attended by at least two people, on behalf of the person, provided that the number of the persons present is not less than two.
- 6- The committee secretary is responsible for distributing the meeting invitation and agenda to all committee members.
- 7- The meeting minutes shall be signed by all members attending the meeting
- 8- The decisions of the committee are issued unanimously, and in case of disagreement, they are issued by the majority of votes of three quarters of the members present and representatives.

Article (6): Remuneration for Members of the Executive Committee



The remuneration that committee members receive amounts to (1,500 riyals) one thousand five hundred riyals for each member for each meeting attended by members of the committee, in addition to the personal expenses they incur for attending the meetings.



Saudi Arabian Cooperative Insurance Company (SAICO)

The Executive Committee Regulation

After Amendment

The Regulation updated by Board of Directors Resolution No. 131 dated 04/21/2024, and approved by the General Assembly on 00/00/2024 AD.



Table of Contents:

Article (1): General Introduction

Article (2): Powers, responsibilities and duties of the Executive Committee

Article (3): Rights of the Executive Committee

Article (4): Selection, composition and termination of service of members of the Executive Committee

Article (5): Procedures Related to Executive Committee Meetings

Article (6): Remuneration for Members of the Executive Committee

Article (1): General Introduction:

- 1- The executive committee's regulations were prepared for the Saudi Arabian Cooperative Insurance Company, a Saudi joint stock company, in accordance with Article (38) of the company's Articles of Association, and in accordance with the corporate governance regulations issued by the Insurance Authority on 10/22/2015 AD and in light of the best international practices for corporate governance.
- 2- The regulations specify the authorities, responsibilities, and duties of the executive committee, as well as the selection and composition of its members and the procedures for terminating their service. They also define the rights and benefits of the members, along with the procedures for their meetings.
- 3- The members of the executive committee are appointed by the board of directors to ensure the board's presence between its meetings and to facilitate quick responses in emergency situations. Additionally, they assist the board in efficiently and effectively performing its supervisory duties, especially concerning setting the company's strategic objectives, financial and operational priorities, and making recommendations regarding dividend distribution policy. Furthermore, they evaluate the long-term productivity of the company's operational processes.

Article (2): The Powers, Responsibilities, and Duties of the Executive Committee

- 1- The committee exercises all authorities and assumes the duties of the board of directors during the period between board meetings.
- 2- The committee discusses and makes decisions on matters requiring urgent action during emergency events.
- 3- The committee's responsibilities include making routine decisions required for the company's regular business operations.
- 4- The committee shall be responsible for matters related to the company's strategy and objectives.
 - A) Reviewing the company's strategic planning procedures and processes in collaboration with the managing director or CEO.
 - B) Ensuring that the company's strategic plans have been translated into actionable behaviors and activities aimed at achieving the company's objectives.
 - C) Reviewing the recommendations of the managing director or CEO regarding the allocation of company resources aimed at aligning the company's strategic plans with its long-term operational objectives.
 - D) Periodically reviewing the strategic plans of the company, its branches, and its subsidiaries, as well as their operational objectives, to ensure alignment with the company's mission and goals.
- 5- Regarding operational priorities, the committee reviews and prepares recommendations for the board of directors concerning strategic decisions related to operational priorities. This includes expansion into new markets or countries and exiting current markets or countries.
- 6- The committee is responsible for the following regarding the company's financial planning and dividend distribution policy:
 - a) Preparing and reviewing recommendations for the board of directors regarding annual and long-term financial objectives and strategies, as well as performance indicators associated with them.
 - b) Reviewing important matters for the company, its branches, and its subsidiaries, such as matters related to the company's capital, credit rating, cash flows, borrowing activities, and investment deposits, in collaboration with the executive management and the audit committee.
 - c) Preparing and reviewing recommendations provided to the board of directors regarding the company's dividend distribution policy and its implementation.
 - d) Periodically reviewing actual capital expenditures and comparing them to the previously approved budgets.
- 7- Regarding the evaluation of the company's long-term productivity and operational efficiency, the committee reviews and prepares recommendations for the board of directors concerning strategic decisions related to available opportunities aimed at improving the quality of the company's products and optimizing associated costs.

Article (3): Rights of the Executive Committee

- 1- The committee shall have the following rights:
 - A) Requesting documents, reports, clarifications, and other relevant information from officials, executives, and employees of the company.
 - B) Inviting officials, executives, and employees of the company to its meetings to question them and hear their explanations.
 - C) Seeking the services of experts and consultants from outside the company.
 - D) Performing other tasks requested by the board of directors that fall within the authority of the committee.



- E) The committee conducts biennial reviews and evaluations of its regulations to ensure that it is fulfilling its duties, and submits recommendations to the board of directors regarding amendments to them.
- 2- The committee is required to regularly submit the minutes of its meetings and its reports to the board of directors.
- 3- In addition, committee members shall do the following:
 - A) Participate in the activities and tasks of the committee, attending all meetings diligently.
 - B) To be fully aware of all developments in the business environment in which the company operates.
 - C) All information they have access to due to their work in the committee shall be considered confidential.
 - D) Informing the Board of Directors in the event of a conflict of interest resulting from decisions taken by the committee.
 - E) Preparing an annual review and evaluation of the committee's activities and its members, including reviewing the degree of the committee's compliance with its regulations.

Article (4): Selection, Composition and Termination of Service of Members of the Executive Committee

- 1- The Board of Directors must form an executive committee and appoint its members in accordance with the company's Articles of Association and any rules issued by the General Assembly.
- 2- The number of members of the committee shall not be less than three and not more than five, and they are chosen by a decision of the Board of Directors. It shall consist of independent, executive and non-executive members.
- 3- The term of committee membership shall coincide with the term of membership of the Board of Directors.
- 4- Committee members shall be chosen from among the members of the Board of Directors.
- 5- Committee members shall have appropriate knowledge, experience and skill in dealing with key executives of the company.
- 6- The Board of Directors shall at any time terminate the service of any member of the Committee and select another member.
- 7- The committee selects a chairman based on the majority of its members' votes after obtaining a non-objection from the Insurance Authority.

Article (5): Procedures Related to Executive Committee Meetings

- 1- The committee shall appoint a secretary after obtaining a non-objection from the Insurance Authority.
- 2- The committee holds at least six (6) meetings annually.
- 3- Committee meetings are held as required by the business interest, and the committee meeting shall precede the Board of Directors meeting if the Board will discuss topics that fall within the committee's jurisdiction.
- 4- Meetings shall be called by the committee chairman, members, or by the Board of Directors.
- 5- The committee meeting is valid if it is attended by at least two people in person or by proxy, provided that the number of attendees in person is not less than two.
- 6- The committee secretary is responsible for distributing the meeting invitation and agenda to all committee members.
- 7- Minutes of meetings shall be signed by all members attending the meeting.
- 8- Decisions in the committee are taken by a majority of the members present, and in the event of a tie when voting on those decisions, the opinion for which the committee chairman votes shall prevail.

Article (6): Remuneration for Members of the Executive Committee

The remuneration received by committee members amounts to (1,500 Riyals) one thousand five hundred riyals for each member for each meeting attended by committee members, in addition to their personal expenses incurred for attending the meetings. Members of the committee who are not members of the Board of Directors are also paid an annual reward in the amount of 50,000 Riyals (fifty thousand Riyals). It is based on the member's attendance rate at committee meetings.



Saudi Arabian Cooperative Insurance Company (SAICO)

Saudi Joint Stock Company

Regulation of the Risk Management Committee

Before Amendment



Contents

Article (1): General Introduction

Article (2): Formation of the Risk Management Committee

Article (3): Role and Responsibilities of the Risk Management Committee

Article (4): Remuneration for the Members of the Committee

Article (1): General Introduction

- 1- The Risk Committee Management Regulation for the Saudi Arabian Cooperative Insurance Company, a Saudi joint stock company, was prepared in accordance with the requirements of the Insurance Companies Governance Regulations issued by the Saudi Central Bank on October 22, 2015 and the Risk Management Regulations issued by the Saudi Central Bank on December 27, 2008 AD and the Corporate Governance Regulations issued by the Capital Markets Authority and amended on May 20, 2019.
- 2- The Risk Management Committee is mainly responsible for managing the various types of risks in the Company. The committee shall meet periodically at least every six months or whenever necessary.
- 3- The main purpose of the Risk Management Committee (the Committee) is to assist the Board in providing oversight over the activities of risk management and its subsidiaries and to provide advice to the Board regarding the effectiveness of the framework for managing the corporate risks of the Company.
- 4- The committee supervises the risk management activities in the company, including supervising the development and implementation of follow-up forms and standard reports, for the purpose of identifying and evaluating the important risks identified in the evaluation process.

Article (2): Rules for Selecting and Forming the Risk Management Committee

- 1- The Board shall form the Risk Management Committee and appoint its members in accordance with the instructions issued by the General Assembly.



- 2- The committee selects a head according to the majority of its members' votes, after obtaining no objection from the Central Bank of Saudi Arabia.
- 3- The Director of Risk Management or whoever the committee deems appropriate shall carry out the duties of the committee secretary.
- 4- The Risk Management Committee consists of at least (3) members headed by a non-executive member.
- 5- All members of the committee shall have an appropriate level of knowledge in risk management and financial matters.

Article (3): Role and Responsibilities of the Risk Management Committee

The committee determines the risks that the Company may be exposed to and maintains an acceptable level of risk for the Company. The responsibilities of the committee include the following:

- 1- Supervising the various private risks facing the company and its subsidiaries and the appropriate evaluation, monitoring, risk reduction and management of those risks;
- 2- Regular periodic audit of risk management policies;
- 3- Conducting an annual audit and evaluation of the framework, making the Company's risk management reports, in relation to determining, identifying, assessing, limiting and managing risks, including the risks identified by the other committees of the Board;
- 4- Submitting reports to the Board of Directors on exposure to risks and the proposed procedures for managing these risks, and submitting recommendations to the Board in their regard;
- 5- Reports of the Risk Management Committee include evaluation and management of the following main types of risks and their ramifications:

A- Strategic risks

1. Capital
2. The current strategy
3. Strategic Initiatives
4. Progress
5. Profits
6. Corporate governance
7. Human capital and compensation
8. Reputation



B- Market risk

- 1- Liquidity

C- Subscription and claims risks

1. Prices
2. Focus
3. Claims management

D- Credit risk

E- Operating risks

1. Technology
 2. Information protection
 3. Transactions relations with others
 4. Operation – other
 5. Commitment to regulations
 6. Combating money laundering and combating terrorism and its financing
-
- 6- Developing a comprehensive risk management strategy and policies commensurate with the nature and size of the Company's activities, verifying their implementation, reviewing and updating them based on the internal and external variables of the Company;
 - 7- Determining and maintaining an acceptable level of risks that the Company may be exposed to, and verifying that the Company does not exceed thereof periodically;
 - 8- Overseeing the Company's risk management system and evaluating the effectiveness of the systems and mechanisms for identifying, measuring, and following up on risks, and identifying deficiencies;
 - 9- Preparing detailed reports on exposure to risks and the proposed steps for managing these risks and submitting them to the Board of Directors;
 9. Submitting recommendations to the Board on issues related to risk management;
 - 10- Auditing, evaluating and discussing with the financial director and the concerned departments of the Company for any significant risks or exposures to risks, the management risks evaluation processes, the procedures that the management has taken or will take into consideration to reduce those risks or exposure to them, and the Company's policies regarding the processes of evaluating and managing risks;



Article (4): Remuneration for the Members of the Committee

The remuneration that committee members receive amounts to (1,500 riyals) one thousand five hundred riyals for each member for each meeting attended by members of the committee, in addition to the personal expenses they incur for attending the meetings.



Saudi Arabian Cooperative Insurance Company (SAICO)

Risk Management Committee Regulation

After Amendment

The regulation was updated by Board Resolution No. 131 dated 2024/04/21 AD and was approved by the General Assembly on 2024/00/00 AD.



Table of Contents:

Article (1): General Introduction

Article (2): Risk Management Committee Formation

Article (3): Roles and Responsibilities of the Risk Management Committee

Article (4): Committee Members' Authorities

Article (5): Quorum for Committee Meetings

Article (6): Committee Members' Remunerations

Article (1): General Introduction:

- 1- I have prepared the Risk Management Committee regulation for the Saudi Arabian Cooperative Insurance Company, a Saudi joint-stock company, in accordance with the requirements of the Corporate Governance Regulations for Insurance Companies issued by the Saudi Arabian Monetary Authority on 2015/10/22 AD and the Risk Management Regulations issued by the Saudi Arabian Monetary Authority on 2008/12/27 AD. The Corporate Governance Regulation issued by the Capital Market Authority and amended on 01/18/2023.
- 2- The Risk Management Committee is primarily responsible for managing various types of risks within the company. The committee should meet regularly, at least every six months, or whenever necessary.
- 3- The primary purpose of the Risk Management Committee is to assist the Board in overseeing risk management activities within the company and its subsidiaries, and to provide advice to the Board regarding the effectiveness of the company's enterprise risk management framework.
- 4- The committee oversees risk management activities within the company, including supervising the development and implementation of monitoring models and standardized reports to identify and evaluate significant risks identified in the assessment process.

Article (2): Risk Management Committee Formation

- 1- The Board forms the Risk Management Committee and appoints its members according to the instructions issued by the General Assembly.
- 2- The committee selects its chairperson by a majority vote of its members after obtaining the non-objection of the insurance authority.
- 3- Risk Management Director, or whoever the committee deems suitable, assumes the responsibilities of the committee's secretary after obtaining the non-objection of the insurance authority.
- 4- The Risk Management Committee consists of at least (3) members, chaired by a non-executive member.
- 5- All committee members must possess a suitable level of knowledge in risk management and financial matters.

Article (3): Roles and Responsibilities of the Risk Management Committee

The committee works to identify risks that the company may be exposed to and maintains an acceptable level of risk for the company. The committee's responsibilities include the following:

- 1- Supervising the various specific risks faced by the company and its subsidiaries, conducting appropriate assessment, monitoring, and mitigation of risks, and managing those risks.
- 2- Regular periodic review of risk management policies.
- 3- Conducting an annual review and evaluation of the company's risk management framework, regarding the identification, assessment, mitigation, and management of risks, including those identified by other committees of the board.
- 4- Submitting meeting minutes and reports to the board of directors regarding exposure to risks and proposed measures for managing these risks, and providing periodic recommendations to the board regarding them.
- 5- The reports of the Risk Management Committee include the evaluation and management of the following main types of risks and their derivatives

A) Strategic risks

- 1- Capital
- 2- Current Strategy
- 3- Strategic initiatives
- 4- progress
- 5- profits
- 6- Corporate governance
- 7- Human capital and compensation
- 8- Reputation

B) Market risks

- 1- Liquidity

C) underwriting and claims risks



- 1- prices
 - 2- Concentration
 - 3- Claims Management
 - D) Credit risks
 - E) Operational Risks
 - 1- Technological matters
 - 2- Information Security
 - 3- Transactions / External Relations
 - 4- operation- other
 - 5- Compliance with Regulatory Regulations
 - 6- Anti-Money Laundering and Counter-Terrorist Financing
-
- 6- Developing comprehensive risk management strategies and policies tailored to the nature and scale of the company's activities, ensuring their implementation, review, and updating based on internal and external factors affecting the company.
 - 7- Defining an acceptable level of risk exposure for the company, maintaining it, and ensuring that the company does not exceed it, with periodic verification.
 - 8- Overseeing the company's risk management system and evaluating the effectiveness of the systems and mechanisms for identifying, measuring, and monitoring risks, as well as identifying areas of deficiency.
 - 9- Preparing detailed reports on risk exposure and proposed steps for managing these risks, and presenting them to the board of directors.
 - 10- Providing recommendations to the board regarding risk management issues.
 - 11- Reviewing, evaluating, and discussing with the Chief Financial Officer and relevant departments of the company any significant risks or exposures, the assessment processes for management risks, the measures taken or to be taken by management to mitigate or address those risks, and the company's policies regarding risk assessment and management processes.
 - 12- Verifying the feasibility of the company's continued operation and successful continuation of its activities, while identifying the risks that threaten its continuity over the next twelve months.
 - 13- Reassessing the company's risk tolerance and periodic exposure to risks, for example, through conducting stress tests.
 - 14- Ensuring the availability of adequate resources and systems for risk management.
 - 15- Reviewing the organizational structure of the risk management function and making recommendations before its approval by the board of directors.
 - 16- Verifying the independence of risk management employees from activities that may expose the company to risks, ensuring their understanding of the risks surrounding the company, and working to increase awareness of risk culture.
 - 17- Reviewing the issues raised by the audit committee that may affect risk management in the company.
 - 18- Defining the roles, responsibilities, and organizational structure of the risk management function to include the following:
 - A) Implementing the risk management strategy.
 - B) Monitoring the risks facing the company.
 - C) Developing effective policies and procedures for risk management to identify, assess, measure, control, and monitor risks, and to mitigate them.
 - D) Identifying emerging risks and proposing corrective steps to mitigate and control them.
 - E) Regularly assessing the company's risk tolerance and exposure to risks. f- Developing an emergency response plan.
 - F) Coordinating with senior management to ensure the effectiveness and efficiency of the company's risk management system.

Article (4): Committee Members' Authorities

The risk management committee is empowered to handle matters within its scope of duties and responsibilities as outlined, in addition to other issues that the board of directors may delegate to the committee. The committee's powers include the following:

1. The committee has the authority to request any management to conduct a study of certain risks as identified. Additionally, the committee may request relevant departments to impose specific limits, controls, or procedures as recommended by the committee or the board of directors.
2. The committee has the right to access all records of the company, and it is also entitled to recommend investigations into any matter within its scope of responsibilities.
3. The committee has the authority to seek advice from legal, accounting, or other advisors to provide counsel.



4. The committee may invite any employee of the company or external advisor to attend any of its meetings if deemed necessary.
5. The committee may, if necessary, obtain information from the CEO and consult with him.
6. The committee may consider any matter within the roles and responsibilities delegated to it by the board of directors, even if this matter has been previously referred to another committee under the board of directors and has been considered. The committee may also coordinate with any of the board committees or other management committees in any area to support the effectiveness and efficiency of their work.
7. The committee does not have any executive powers to compel the board of directors or company management to implement its recommendations unless authorized by the board of directors.
8. The committee is entitled to request information from the investment committee regarding matters related to market risks.

Article (5): Quorum for Committee Meetings

The quorum for meetings of the risk management committee is two members minimum, with decisions made by a majority of the members present, and in case of equality, the decision favored by the committee chair prevails. No member of the committee is allowed to delegate another individual or member to attend meetings.

The committee may conduct discussions and make decisions by circulation if necessary before the next scheduled meeting. Any decision made by the committee shall be in writing and signed by all members of the committee, effective as if it had been made at a meeting duly called and held in person.

The decisions approved by circulation are added to the agenda and minutes of the next committee meeting immediately.

Article (6): Committee Members' Remunerations

Committee members receive a Remuneration of 1,500 SAR (one thousand five hundred Saudi Riyals) for each meeting attended, in addition to reimbursement of their personal expenses incurred for attending meetings. Furthermore, non-board members of the committee receive an annual Remuneration of 50,000 SAR (fifty thousand Saudi Riyals), disbursed based on the member's attendance percentage at committee meetings.



Saudi Arabian Cooperative Insurance Company (SAICO)

Saudi Joint Stock Company

Investment Committee Regulation

Before Amendment



Contents:

Article (1): General Introduction

Article (2): Formation of the Investment Committee

Article (3): Role and Responsibilities of the Investment Committee

Article (4): Remuneration of the Committee Members

Article 1: General Introduction

- 1- The Investment Committee Regulations for the Saudi Arabian Cooperative Insurance Company, a Saudi joint stock company, was prepared in accordance with the requirements of the Insurance Companies Governance Regulations issued by the Saudi Central Bank on October 22, 2015 AD, and according to the Investment Regulations issued by the Saudi Central Bank on February 21, 2012
- 2- The Board appoints the Investment Committee, which is responsible for making recommendations to the Board on issues related to investments, such as the Company's investment policy and its asset allocation plans. The committee has the right to make decisions related to investment within the framework of the investment policy approved by the Board and the asset allocation plans. The Investment Committee holds meetings periodically or whenever necessary to do so (on a monthly basis)
- 3- The Investment Committee is responsible for developing and evaluating investment plans and policies. The Investment Committee may seek assistance from experts and specialized consultants as it deems appropriate and / or as agreed with the Board.

Article (2): Rules for Selecting and Forming the Investment Committee

- 1- The Board shall form the Investment Committee and appoint its members in accordance with the instructions issued by the General Assembly, as the Board deems appropriate.
- 2- The Investment Committee consists of no less than (3) independent, executive and non-executive members.
- 3- The committee selects a head according to the majority of its members' votes, after obtaining no objection from the Saudi Central Bank.
- 4- The Secretary of the Board of Directors acts as the secretariat of the committee.



- 5- All committee members shall have sufficient experience to be able to understand investment issues.

Article (3): Role and Responsibilities of the Investment Committee

The Investment Committee undertakes the tasks mentioned below. The list of roles and tasks set out below is not considered final, and it is the duty of the Investment Committee to study and add other tasks and / or make changes to those shown below.

- Formulating and preparing the investment policy and reviewing its performance and implementation on a quarterly basis;
- Supervising the investment policy and monitoring its implementation;
- Developing the investment policy at the request of the Board.
- Ensuring the statutory commitment associated with the Company's investments;
- Reporting to the Board on the performance of the investment portfolio and on the activities, results and recommendations;
- Delegating responsibilities to senior management in relation to investments;
- Reviewing the activities and results of the higher management, including the approval of documents of all requirements, powers, limits, implementation, operation and management of the investment policy;
- Assigning various tasks and powers to service providers, asset managers, consultants, experts, actuaries, auditors, and others;
- Reviewing the activities and results of service contractors, asset managers, consultants, experts, actuaries, auditors, and others.
- New investments, asset allocation and distribution, re-balancing, asset exclusion, etc;
- Measuring investment performance and reasoning, risk management, etc;
- Following up on the general risks of the investment policy;
- Submitting the investment portfolio performance report to the Board of Directors;

Article (4): Remuneration for Committee Members

The remuneration that committee members receive amounts to (1,500 riyals) one thousand five hundred riyals for each member for each meeting attended by



members of the committee, in addition to the personal expenses they incur for attending the meetings.



Saudi Arabian Cooperative Insurance Company (SAICO)

Investment Committee Regulation

After Amendment

The regulation was updated by Board of Directors Resolution No. 131 dated 04/21/2024, and approved by the General Assembly on 00/00/2024 AD.



Contents:

Article (1): General Introduction

Article (2): Investment Committee Formation

Article (3): The Role and Responsibilities of the Investment Committee

Article (4): Remunerations of committee members

Article (1): General Introduction:

- 1- The Investment Committee regulations were prepared for the Saudi Arabian Cooperative Insurance Company, a Saudi joint stock company, in accordance with the requirements of the Insurance Companies Governance Regulations issued by the Insurance Authority on 10/22/2015 AD, and in accordance with the Investment Regulations issued by the Insurance Authority on 02/21/2012 AD.
- 2- The Board appoints the Investment Committee, which is responsible for providing recommendations to the Board on issues related to investments, such as the company's investment policy and asset distribution plans. The Committee has the right to make investment-related decisions within the framework of the Board's approved investment policy and asset distribution plans. The Investment Committee holds meetings periodically or whenever business necessity requires it.
- 3- The Investment Committee is responsible for developing and evaluating investment plans and policy. The Investment Committee shall seek the assistance of experts and specialized consultants as it deems appropriate and/or in accordance with agreement with the Council.

Article (2): Investment Committee Formation

- 1- The Board forms the Investment Committee and appoints its members in accordance with the instructions issued by the General Assembly, as the Board deems appropriate.
- 2- The Investment Committee consists of no less than (3) independent members, executive and non-executive, or from outside the Board.
- 3- The committee selects a chairman based on the majority of its members' votes after obtaining a non-objection from the Insurance Authority.
- 4- The committee appoints a secretary after obtaining a non-objection from the Insurance Authority.
- 5- All members of the committee shall have sufficient experience to be able to understand investment topics.
- 6- Decisions in the committee are taken by a majority of the members present, and in the event of a tie when voting on those decisions, the opinion for which the committee chairman votes shall prevail.

Article (3): The Role and Responsibilities of the Investment Committee

The Investment Committee assumes the following tasks, and the list of roles and tasks below is not exhaustive. It is the responsibility of the Investment Committee to study, add other tasks, and/or make changes to those listed below.

- A) Formulating and preparing the investment policy and reviewing its performance and implementation on a quarterly basis.
- B) Supervising investment policy and monitoring its implementation.
- C) Developing investment policy based on the Council's request.
- D) Ensuring regulatory compliance related to the company's investments.
- E)
- F) Submitting minutes of committee meetings and reports to the Council on the performance of the investment portfolio, activities, results and recommendations on a periodic basis
- G) Delegating responsibilities to senior management regarding investments.
- H) Reviewing the performance of each asset class, activities and results of senior management including approval of documents of all requirements, powers, limits, implementation, operation and management of the investment policy
- I) Assigning various tasks and powers to service contractors, asset managers, consultants, experts, actuaries, auditors, and others.
- J) Reviewing the activities and results of service providers, asset managers, consultants, experts, actuaries, auditors, and others.
- K) Reviewing new investments, allocating and distributing assets, rebalancing, and excluding assets, among other tasks.
- L) Measuring investment performance and benchmarking, risk management, and other related tasks.
- M) Monitoring the overall risks of the investment policy.

Article (4): Committee Members' Remunerations

Committee members receive a remuneration of 1,500 SAR (one thousand five hundred Saudi Riyals) for each meeting attended, in addition to reimbursement of their personal expenses incurred for attending meetings. Furthermore, non-board members of the committee receive an annual Remuneration of 50,000 SAR (fifty thousand Saudi Riyals), disbursed based on the member's attendance percentage at committee meetings.



Saudi Arabian Cooperative Insurance Company (SAICO)

Saudi Joint Stock Company

Regulations of the Nomination and Remuneration Committee

Before Amendment



Contents:

Article (1): General Introduction

Article (2): Powers of the Legislation and Remuneration Committee

Article (3): Rights and Responsibilities of the Nomination and Remuneration Committee

Article (4): Selection, Formation and Termination of the Service of the Nominations and Remuneration Committee

Article (5): Procedures for the Nomination and Remuneration Committee meetings

Article (6): Remuneration of Members of the Nomination and Remuneration Committee

Article (1): General Introduction

- 1- The Regulation of the Nominations and Remuneration Committee for the Saudi Arabian Cooperative Insurance Company, a Saudi joint stock company, was prepared in accordance with the requirements of the Corporate Governance Regulations issued by the Capital Markets Authority and amended on May 20, 2019 AD, and the Companies Law, and in accordance with the Insurance Companies Governance Regulations issued by the Saudi Central Bank on October 22, 2015 AD and the Company's Articles of Association.
- 2- The General Assembly of the Company, based on a proposal from the Board of Directors, shall issue the committee's work regulations, and this regulation includes the controls and procedures for its work, its tasks, the rules for selecting its members, the term of their membership and their remuneration.
- 3- The Company's Nomination and Remuneration Committee was established to assist the Board of Directors in performing its advisory and supervisory duties efficiently and effectively. The committee is specifically concerned with nominating qualified members of the Board of Directors and executives, and emphasizing the need for the Company's nomination policy to lead to correct appointments, development and retention of honorable Board members and directors. Thus, it helps the Company in achieving its goals and economic growth.



Article (2): Powers of the Legislation and Remuneration Committee

The following topics fall within the powers of the Nomination and Remuneration Committee.

- 1- The committee shall do the following with regard to the nominations of members of the Board of Directors and the executive directors:
 - A) Recommending to the Board of Directors the nomination for membership of the Board in accordance with the approved policies and standards, taking into account not to nominate any person previously convicted of a crime involving breach of honor and trust, and the Company shall publish the announcement of candidacy on the Company's website and the financial market website and in any other means determined by the authority, in order to invite persons who wish to be in candidacy for membership of the Board of Directors, provided that the door to candidacy remains open for at least one month from the date of the announcement;
 - B) The annual audit of the required needs of appropriate skills for membership of the Board of Directors and the preparation of a description of the capabilities and qualifications required for membership of the Board of Directors, including determining the time that a member shall allocate to the work of the Board and / or Board committees;
 - C) Auditing and evaluating the structure of the Board of Directors and its committees and submitting recommendations regarding the changes that can be made.
 - D) Determining the strengths and weaknesses of the Board of Directors and its committees, and proposing to remedy thereof in favor of the Company's interest.
 - E) Verifying the independence of a member of the Board of Directors, and establishing an appropriate mechanism to inform shareholders about any changes that may lead to the member losing his independence, in addition to ensuring that there is no conflict of interest if the member occupies the membership of another Company's Board of Directors, and that this is done annually.
 - F) Establishing special procedures in the event of feeling the position of a member of the Board of Directors or a senior executive.
 - G) Preparing orientations and introductory programs for new members of the Board of Directors about the nature of the Company's business



and a detailed description of their duties as members of the Board of Directors.

- H) Preparing the Board of Directors' recommendations related to defining specific criteria for selecting people to fill the position of the Managing Director or CEO and the heads of the main departments of the Company.
 - I) Establishing clear compensation and remuneration policies for members of the Board of Directors and senior executives, taking into account when setting these policies the use of performance-related criteria.
 - J) Preparing a preliminary evaluation for the persons nominated for the position of the Managing Director or CEO and for the heads of departments and units of the Company.
 - K) Preparing job descriptions and contracting terms for each of the position of the CEO and departmental managers of the Company;
 - L) Establishing appropriate standards and procedures for evaluating the performance of the CEO and department managers of the company;
 - M) Conducting a periodic evaluation of the activities of the CEO and department managers of the Company, and periodically evaluating the performance of the members of the Board and its committees.
 - N) Organizing training programs for executives related to corporate governance and ethical behavior;
 - O) Establishing policies related to continuous improvement in the performance of employees at higher administrative levels.
 - P) Establishing succession policy and procedures for the CEO and senior members of senior management and monitor the implementation of succession plans and procedures for them;
- 2- The committee shall do the following with regard to the remuneration of members of the Board of Directors and executives:

It prepares a clear policy for remunerations and incentives for members of the Board of Directors and committees emanating from the Board and the executive management and submits them to the Board of Directors for consideration in support of approval by the General Assembly and aims to increase the value of the Company and is based on the personal efforts of each Board member and executive director in implementing the strategic objectives of the company. It is also based on the committee's evaluation of their personal performance against the goals set by the Board of Directors, by means of:



- A) Setting standards regarding the remuneration of members and the Chairman of the Board of Directors that enable the Company to obtain distinguished performance without affecting the independence of the members;
- B) Setting standards for the remuneration of the managing director or chief executive officer and directors of departments in the Company related to fixed annual salaries and variable remunerations based on a system for financial and non-financial evaluation of performance, and also setting standards for a system for long-term incentives to link the interests of managers with the interests of the Company's shareholders, and the committee reviews these standards periodically;
- 3- It is necessary to audit on an ongoing basis the suitability of the Company's remuneration standards, based on the Company's performance, financial position and basic trends in the labor market.
- 4- The implementation of the decisions taken by the General Assembly of the shareholders related to issues related to the remuneration of the members of the Board of Directors and the senior executives of the Company and the manner in which these remunerations are disclosed in the annual report of the Company shall be followed up.

Article (3): Rights and Responsibilities of the Nomination and Remuneration Committee

- 1- The Committee has the following rights:
 - A) Requesting appropriate documents, reports, clarifications and other information from company officials, executives and employees.
 - B) Calling the officials, executives and employees of the company to its meetings to ask them and hear their explanations;
 - C) Seeking the services of experts and consultants from outside the Company;
 - D) Performing other tasks requested by the board of directors and fall within the authority of the committee;
- 2- The committee shall annually audit and evaluate its regulations in order to ensure that it fulfills its duties and submit recommendations to the Board of Directors regarding the necessary amendments thereto.



- 3- The committee shall submit an annual report on its activities to the Board of Directors.
- 4- In addition, the members of the committee:
 - A) Participate in the activities and work of the committee, and attend all meetings.
 - B) To be fully aware of all developments in the business environment in which the company operates.
 - C) Considering all the information that they learned about because of their work in the committee confidential.
 - D) Informing the Board of Directors in the event of a conflict of interest as a result of decisions taken by the committee.

Article (4): Selection, Formation and Termination of the Service of the Nominations and Remuneration Committee

- 1- The committee consists of a minimum of three members who are chosen by the majority of the votes of the members of the Board of Directors, provided that among them are two independent members, and this committee cannot be chaired by the Chairman of the Board of Directors.
- 2- The term of appointment of the committee shall coincide with the term of appointing the Board of Directors.
- 3- It is not permissible for the delegated member to be a member of the committee unless he is other than the CEO.
- 4- Committee members shall have the appropriate knowledge, experience and skill in their dealings with the principal executives of the Company.
- 5- The Board of Directors may at any time terminate the service of any member of the Committee and choose another member.
- 6- The committee selects a head according to the majority of its members' votes, after obtaining no objection from the Saudi Central Bank.
- 7- The head of the committee shall be an independent member.
- 8- In the event that the position of one of the committee's seats becomes vacant, the Board may appoint a member to the vacant seat who has sufficient experience and the necessary requirements. The Financial Markets Authority shall be notified of this within (5) business days from the date of appointment, and the new member completes the term of his predecessor only.



Article (5): Procedures for the Nomination and Remuneration Committee meetings

- 1- The Secretary of the Board of Directors performs the duties of the committee secretary.
- 2- Meetings shall be held when the need demands that the committee perform its functions and duties. The committee shall hold a meeting before the Board of Directors meeting if there are issues to be discussed in the Board of Directors that fall within its competence, provided that the committee holds at least two annual meetings.
- 3- The meeting is called by the head of the committee or members, or by the Board of Directors.
- 4- A quorum of meetings is held with the presence of at least two members.
- 5- The committee secretary is responsible for distributing the meeting invitation and agenda to all committee members.
- 6- The meeting minutes shall be signed by all members attending the meeting.
- 7- The decisions of the committee are taken by the majority of the votes of the members attending the meeting.

Article (6): Remuneration of Members of the Nomination and Remuneration Committee

The remuneration that the committee members receive amounts to (1,500 riyals) (one thousand and five hundred riyals) for each member for each meeting attended by the committee members, in addition to their personal expenses incurred to attend the meetings.



Saudi Arabian Cooperative Insurance Company (SAICO)

Nomination & Remuneration Committee Regulation

After Amendment

The Regulation was updated by Board of Directors Resolution No. 131 dated 21/04/2024 and approved by the General Assembly on 00/00/2024 AD



Contents:

Article (1): General Introduction:

Article (2): Powers of the Nomination and Remuneration Committee

Article (3): Rights and Responsibilities of the Nomination and Remuneration Committee

Article (4): Selection, Formation, and Termination of the Nomination and Remuneration Committee

Article (5): Procedures for Meetings of the Nomination and Remuneration Committee

Article (6): Compensation for members of the Nominations and Remuneration Committee

Article (1): General Introduction:

- 1- The Nominations and Remuneration Committee regulations were prepared for the Saudi Arabian Cooperative Insurance Company, a Saudi joint stock company, in accordance with the requirements of the Corporate Governance Regulations issued by the Capital Market Authority and amended on 01/18/2023 AD, and the Companies Law, and in accordance with the Insurance Companies Governance Regulations issued by the Insurance Authority on 10/22 AD. / 2015 AD and the company's bylaws.
- 2- The general assembly of the company shall issue, based on a proposal from the Board of Directors, the work regulations of the committee. This regulation includes the controls and procedures of its work, its tasks, the rules for selecting its members, the duration of their membership and their remuneration.
- 3- The Company's Nominations and Remuneration Committee was established to assist the Board of Directors in performing its guiding and supervisory tasks efficiently and effectively. The Committee is particularly concerned with nominating competent Board members and executive managers and emphasizing the need for the company's nominations policy to lead to the correct appointments and to the development and retention of distinguished Board members and managers. Thus, it helps the company achieves its goals and economic growth.

Article (2): Powers of the Nominations and Remuneration Committee

The following topics fall within the powers of the Nominations and Remuneration Committee.

- 1- The Committee shall do the following with regard to the nominations of members of the Board of Directors and Executive Directors:
 - A) Recommending to the Board of Directors to nominate for Board membership in accordance with the approved policies and standards, taking into account not to nominate any person who has previously been convicted of a crime against honor and honesty, and the company shall publish the nomination announcement on the company's website, the website of the financial market, and in any other means determined by the Authority, in order to invite people wishing to nominate. For membership in the Board of Directors, provided that nominations remain open for at least one month from the date of the announcement.
 - B) Recommendation regarding the appointment and dismissal of members of senior management, and other matters related to nominations and rewards.
 - C) Annual review of the required skills requirements for membership in the Board of Directors and preparation of a description of the capabilities and qualifications required for membership in the Board of Directors, including specifying the time that a member shall devote to the work of the Board and/or Board committees.
 - D) Reviewing and evaluating the structure of the Board of Directors and its committees and making recommendations regarding changes that can be made.
 - E) Identify the weaknesses and strengths of the Board of Directors and its committees, and suggest addressing them in a manner consistent with the company's interest.
 - F) Verify on an annual basis the independence of the board member and its committees, establish an appropriate mechanism to inform shareholders of any changes that shall lead to the member losing his independence, and ensure that there are no conflicts of interest if the member holds a membership in the board of directors of another company.
 - G) Establishing special procedures in the event that the position of a member of the Board of Directors or senior executives becomes vacant.
 - H) Preparing directives and introductory programs for new members of the Board of Directors about the nature of the company's business and a detailed description of their duties as members of the Board of Directors.
 - I) Preparing recommendations for the Board of Directors related to determining specific criteria for selecting people to fill the position of Managing Director or CEO and heads of the company's main departments.



- J) Establishing clear policies for compensation and rewards for members of the Board of Directors and senior executives. When developing these policies, the use of standards related to performance shall be taken into account.
- K) Preparing an initial evaluation of the persons nominated for the position of Managing Director or CEO and for the heads of departments and units in the company.
- L) Preparing job descriptions and contract terms for the position of CEO and department managers in the company.
- M) Establishing appropriate standards and procedures to evaluate the performance of the CEO and department managers of the company.
- N) Conduct periodic performance evaluations for the CEO and department managers within the company, and regularly assess the performance of board members and their committees.
- O) Organize training programs for executive directors on corporate governance and ethical behavior within the company.
- P) Develop policies related to continuous improvement in the performance of employees at the senior management levels.
- Q) Establish a policy and procedures for succession planning for the CEO and senior management executives, and monitor the implementation of succession plans and procedures for them.
- R) Develop a board-approved policy for job replacement and succession planning in accordance with the hiring requirements for leadership positions issued by the regulatory authority.

2- The committee performs the following regarding bonuses for board members and executive directors:

Preparing a clear policy for bonuses and incentives for board members, board committees, and executive management, and submitting it to the board for review, in preparation for approval by the general assembly. The policy aims to increase the company's value and is based on the personal efforts of each board member and executive in implementing the company's strategic objectives. It also relies on the committee's evaluation of their personal performance against the objectives set by the board through:

- A) Establish criteria for bonuses for board members and the chairman of the board that enable the company to achieve outstanding performance without compromising the independence of the members.
 - B) Establish criteria for the bonuses of the managing director or CEO and department managers within the company, related to annual fixed salaries and variable bonuses based on a system for financial and non-financial performance evaluation. Additionally, develop criteria for a long-term incentive scheme to align the interests of managers with those of the company's shareholders, with the committee regularly reviewing these criteria.
- 3- Continuously review the appropriateness of the company's bonus criteria based on its performance, financial position, and key trends in the labor market.
- 4- Monitor the implementation of decisions made by the general assembly of shareholders regarding matters related to the bonuses of board members and senior executives of the company, and oversee how these bonuses are disclosed in the company's annual report.

Article (3): Rights and Responsibilities of the Nomination and Remuneration Committee

1- The committee has the following rights:

- A) Requesting documents, reports, clarifications, and other relevant information from the officials, executives, and employees of the company.
- B) Inviting company officials, executives, and employees to its meetings to question them and hear their explanations
- C) Using the services of experts and consultants from outside the company.
- D) Performing other tasks requested by the Board of Directors and falling within the authority of the Committee.



- 2- The committee shall annually review and evaluate its regulations with the aim of ensuring that it fulfills its duties and submits recommendations to the Board of Directors regarding making the necessary amendments thereto.
- 3- The committee shall submit minutes of its meetings and reports to the Board of Directors periodically.
- 4- In addition, committee members shall:
 - A) Participate in the activities and work of the committee, and attend all meetings.
 - B) To be fully aware of all developments in the business environment in which the company operates.
 - C) All information they have access to due to their work in the committee is considered confidential.
 - D) Informing the Board of Directors in the event of a conflict of interest resulting from decisions taken by the committee.

Article (4): Selection, Formation, and Termination of service of members of the Nominations & Remuneration Committee

- 1- The committee consists of a minimum of three members who are chosen by decision of the Board of Directors, including two independent members. This committee cannot be headed by the Chairman of the Board of Directors.
- 2- The term of appointment of the committee shall coincide with the term of appointment of the Board of Directors.
- 3- The managing director shall not be a member of the committee unless he is other than the CEO.
- 4- Committee members shall have appropriate knowledge, experience and skill in their dealings with the company's key executives.
- 5- The Board of Directors shall, at any time, terminate the service of any member of the Committee and choose another member.
- 6- The committee selects a chairman according to the majority of its members' votes after obtaining a non-objection from the Insurance Authority.
- 7- The Chairman of the Committee shall be an independent member.
- 8- In the event that one of the committee member seats becomes vacant, the board shall appoint a member to the vacant seat who has sufficient experience and the necessary requirements. This shall be notified to the Capital Market Authority within (5) five working days from the date of appointment, and the new member shall complete a term of appointment.

Article (5): Procedures for Meetings of the Nominations and Remuneration Committee

- 1- The committee appoints a secretary after obtaining a non-objection from the Insurance Authority.
- 2- Meetings shall be held when the need requires the committee to perform its functions and duties, and the committee shall hold a meeting before the Board of Directors meeting if there are topics that will be discussed by the Board of Directors that fall within its jurisdiction, provided that the committee holds at least two meetings annually.
- 3- Meetings are called by the committee chairman, members, or at the request of the Board of Directors.
- 4- A quorum for meetings shall be held in the presence of at least two members.
- 5- The committee secretary is responsible for distributing the meeting invitation and agenda to all committee members.
- 6- Minutes of meetings shall be signed by all members attending the meeting.
- 7- Decisions are taken by the committee by a majority of the members present, and in the event of a tie when voting on those decisions, the opinion for which the committee chairman votes shall prevail.

Article (6): Remuneration for Members of the Nominations and Remuneration Committee

The rewards received by committee members amount to 1,500 Riyals (one thousand five hundred Riyals) for each member for each meeting attended by committee members, in addition to their personal expenses incurred for attending the meetings. Each member outside the Board of Directors is also paid an annual reward in the amount of 100,000 Riyals (one hundred thousand riyals). Committee members who are members of the Board of Directors receive an annual reward of 50,000 Riyals (fifty thousand riyals), which is paid based on the member's attendance percentage at committee meetings.