



Agenda 12: Voting on the business and contracts that took place between the company and the HSBC Saudi Arabia which related to Saudi British Bank, for which the members of the board of directors Mr. /Mohammad Alshaya, Mr. / Bashaar Alquinabit, and Mr./Yasser Al Barrak, Mr. Faris Alshareef, and Ms. Maha Alsudairi have indirect interest as representatives of the Saudi British Bank and its licensing. They are various annual insurance contracts which include Policyholders' available for sale unit-linked investments in mutual funds managed by IBSA, Total Policyholders' available for sale unit-linked investments in mutual funds as at year end 2020 is SAR 406,636 thousands. The rebate fees received on unit-linked investments is SAR 1,425 thousands. Note that there are no preferential terms in this agreement. (attached).

Date:08/04/2021

Dear Shareholders of SABB Takaful

Subject: Chairman’s report for transactions and contracts with SABB Takaful where members of Board of Directors had a personal interest:

Reference to requirements under Article 71 of the Companies Law, which requires the Chairman of the Board of Directors to inform the General Assembly about the transactions and contracts with SABB Takaful where members of Board of Directors had a personal interest

Related parties represent major shareholders, directors and key management personnel of the company, and companies of which they are principal owners and any other entities controlled of significantly influenced by them. At SABB Takaful, the related parties are mostly the group companies.

As a normal course of business, SABB Takaful Company (“the Company”) carry out transactions with its related parties, Pricing and terms of these transaction are mutually agreed and approved by the Company’s management and Board of Directors.


The following are the details of all the related party transactions during the year ended 31 December 2020:

Related party	Nature of transaction	Amount of transaction
		<i>Amount in SAR’000</i>
The Saudi British Bank (SABB) - (Shareholder)	Contribution for various annual insurance contracts	72,132
	Claims paid	39,826
	Expenses related to IT maintenance and related expense incurred by SABB on behalf of the Company	3,423
	Investment income on murabaha deposits*	72
SABB Insurance Agency Company Limited – (Affiliate)	Various annual insurance contracts	3,925
HSBC Saudi Arabia Limited (IBSA) – (Affiliate)	Contribution for various annual insurance contracts	1,634
	Policyholders’ available for sale unit-linked investments in mutual funds managed by IBSA	406,636
	Rebate on unit-linked investments	1,425
Board of Directors & Committees members	Directors’ & Committee’s fees and Remunerations	1,356

The transactions are the part of the agenda item to be approved by the shareholders in General Assembly Meeting.

* An Investment income of SAR 72 thousand on murabaha deposits pertains to murabaha deposit of SAR 10 million which was matured on 1st December, 2020.

Mohammad Abdulaziz al Shayea



Chairman of Board of Directors

Limited Assurance Independent Auditor's Report
SABB TAKAFUL COMPANY

TO: THE SHAREHOLDERS

Based on the intimation received from the Chairman of the board of director, we have undertaken a limited assurance engagement to indicate whether anything has come to our attention that causes us to believe that the report detailed in the subject matter paragraph-mentioned below (the "Subject matter") has not been reported and presented fairly, in all material respects, in accordance with the applicable criteria ("Criteria"). mentioned below.

Subject matter

The subject matter relevant for the Limited Assurance engagement is the report of the Chairman of the Board of Directors on transactions with related parties submitted to the Ordinary General Assembly to report on activities and contracts carried out by the Company in which the members of Board of Directors of the Company that have direct or indirect interest.

Criteria:

1. Article (24) from of the Company's By-laws.
2. Article (71) of the Companies' Regulations endorsed in Kingdom of Saudi Arabia.

Management responsibility

Management of the Company is responsible for the preparation and fair presentation of the information contained in the above subject matter in accordance with the criteria. Management of the Company is also responsible for choosing the methods of applying those criteria. The Company's management is also responsible for establishing and maintaining adequate internal controls for the preparation and presentation of the Subject matter without material misstatements, whether due to fraud or error, as well as for selecting and applying appropriate standards, maintaining adequate records and making reasonable estimates according to the circumstances.

Our responsibility

Our responsibility is to express a limited assurance conclusion on the above Subject matter in accordance with the International Standard for Assurance Engagements (3000) "Assurance engagements other than audits or reviews of historical financial information" as adopted in the Kingdom of Saudi Arabia, and the terms and conditions related to this engagement that has been agreed upon with the management of the company.

Our procedures are designed to obtain a limited level of assurance sufficient to provide a basis for expressing our conclusion, and accordingly, we have not obtained all the evidence required to perform the audit or review in accordance with the International Standards for Auditing or the International Standards for Review Engagements approved in the Kingdom of Saudi Arabia. The procedures implemented depend on our professional judgment, including the risk of material misstatement of the matter, whether due to fraud or error. We also took into account the effectiveness of internal control systems when determining the nature and extent of our procedures, and our engagement was not designed to provide assurance about the effectiveness of those systems.

Limited Assurance Report (continued)

TO: THE SHAREHOLDERS SABB TAKAFUL

Our Independence and Quality Control

We have complied to the independence and other requirements of the Code of Professional conduct and ethics for Accountants issued by the board of International Code of Ethics for Professional Accountants, which is based on the basic principles of integrity, objectivity, professionalism, due diligence, confidentiality and professional conduct. We are also independent of the Company according to the relevant code of conduct and ethics in the Kingdom of Saudi Arabia.

We also implement the International Standard on Quality Control (1), thus maintaining a comprehensive quality control system including documented policies and procedures regarding adherence to ethical requirements, professional standards, and applicable statutory and regulatory requirements.

Summary of work performed:

The procedures performed in a limited assurance engagement vary in nature and timing, and are less in extent than for a reasonable assurance engagement. As a result, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement.

Our procedures include, but were not limited to the following:

- Matching the business disclosed in the report of the chairman of the board of directors about the transactions with related parties that have a direct or indirect personal interest for the members of the board of directors with the accounting records and transaction records.
- Ensure that the same is disclosed in the minutes of the meeting.

Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that report described in the subject matter paragraph is not prepared, and presented fairly, in all material respects, in accordance with the applicable criteria.

Restrictions on the use of our report

Our report was prepared upon the request of the Company's management to fulfill the requirements of the relevant regulations in relation to the activities and contracts that the company carried out during the fiscal year ended December 31, 2020, in which the members of the Board of Directors had a personal interest, directly or indirectly. The report must not be used for any other purpose or distributed to any other parties.



AlAzem, AlSudairy, AlShaikh & Partners
Certified Public Accountants



Abdullah M. AlAzem
License No. 335

23 Shaban 1442H (05 April 2021)
Riyadh, Kingdom of Saudi Arabia



Agenda 13: To vote on Executives Management Remuneration Policy. (attached).

Executives Management Remuneration Policy

SABB Takaful Company

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General Assembly Meeting

Overview/Introduction

This policy aims at identifying the guidelines of fixed and variable remuneration' management within the Company, as well as identifying the variable remuneration levels for the Executives through the performance policy.

It is intended to attract distinguished competencies who are the best fit for the tasks and responsibilities of the Executives, in line with the company's objectives and activities. Nonetheless, this policy provides motivation to the Executives for Company's development and improvement on the long-term.

Further, this policy has been prepared to conform to the laws and regulations applicable and issued by the regulators in the Kingdom of Saudi Arabia, as well as the Company's by-laws.

Principles

The guidelines indicated herein aim to meet the following objectives:

- Aligning remuneration practices with company's strategy and values to underpin the successful implementation of the relevant strategy in a risk-based manner.
- Ensuring the transparency of compensation principles and processes for all stakeholders.
- Ensuring the internal equity of compensation for the Executives.
- Providing cost-effective remuneration solutions.
- Ensuring the financial sustainability of the SABB Takaful Company.
- Ensuring that the remuneration payments are determined through assessment of performance for each employee within the Executives, in line with the company's performance and financial results.

Definitions:

Company: SABB Takaful Company

Stakeholders

Board of Directors (BoD)

Committee: Nomination and Remuneration Committee (REMCO)

Monetary Authority: Saudi Arabian Monetary Authority (SAMA)

Authority: Capital Market Authority (CMA)

Executives or Senior Executives: Persons who are responsible for day-to-day operations management, as well as advising on and implementation of strategic decisions, such as Chief Executive Officer (CEO), Deputy CEO, Chief Finance Officer (CFO) and any other positions stated in **Resourcing Policy**.

Executives in the Company:

- CEO
- Company Secretary and Head of Corporate Governance
- Head of Internal Audit
- Head of Compliance
- Chief Risk Officer
- Head of Human Resources
- Chief Technical Officer
- Chief Operations Officer
- Chief Financial Officer
- Head of Sales and Marketing
- Head of Actuary
- Or any Head of Department who is directly reporting to the CEO

Remuneration: All amounts, allowances and equivalents, as well as periodic or annual remuneration based on performance, short-term and long-term incentive schemes and other in-kind benefits, except for the actual reasonable expenses and costs incurred by the Company for the Executive member in order to perform his task. Moreover, Company's shares may be granted for the Executive members, whether as new issued shares or those purchased, and will be considered as benefits provided by the Company.

Assembly: General Assembly of SABB Takaful Company Shareholders.

Eligibility/ Scope

This policy covers for the following:

Executive Officers: Permanent staff contracted by a fixed contract.

All Compensation Elements: Basic Salary, allowances, staff incentive and remuneration programs.

Compensation Key Determinants: Executive performance, business performance, business risks, market conditions, compliance regulatory requirements issued by regulators.

Approval Process: Development and amendment of policy and total wages review.

Relevant Roles and Responsibilities of Stakeholders: SABB Takaful Board of Directors, Nomination and Remuneration Committee (REMCO) and Human Resources Department.

Compensation Governance Policy

Board of Directors Members

The Company (BoD) is responsible for the overall design and supervision of the compensation system and therefore does not delegate this responsibility to the management.

- In addition to REMCO, The BoD shall be responsible for the effective governance and proper practices of compensation.
- The BoD shall review and approve the compensation policy based on the recommendations of REMCO in accordance with the guidelines stated herein.
- The BoD shall review and approve based on the recommendations of REMCO, any updates of the compensation policy.
- The BoD shall review and approve based on the recommendations of REMCO the remuneration levels of Executives.
- The BoD shall, through REMCO, ensure that the management has developed detailed procedures for the implementation and an effective monitoring mechanism to comply with this Policy.

Compensations and Remunerations Details

The compensation criteria within SABB Takaful are based on the total gross income is formed out of the following compensation elements:

Fixed Compensations:

- Monthly basic salary.
- Grade-based bonuses.
- End of Service remuneration
- Salary- related allowances
- Other allowances
- Specified benefit programs.

Variable Compensations:

Annual remuneration.

Compensation Review Mechanism

The Executive members shall be responsible for the design and development of remuneration strategy, necessary programs and steps as well as for the approval of remuneration schemes.

Annual Remuneration

The annual remuneration shall be paid, as a part of the Approved remunerations, and calculated and distributed to the Executive officers based on the individual and corporate performance, and on the assessment of REMCO and as per SAMA instructions.

Income Statement

The annual remuneration payment shall be granted against the actual profits. Remunerations are reviewed and determined annually by REMCO and shall be calculated monthly based on an accumulative basis.

Distribution

- Remuneration Provision (Pursuant to the regulations of SAMA, risk-based, financial control and audit positions are required to be separated from other remuneration packages. Moreover, the total value of relevant remunerations may not be based on short-term profits.
- Public Fund (Secondary Provision) The total remuneration packages shall, after the payment of the abovementioned provisions, be provided to the remaining staff levels based on:
 - Performance against objectives at the company's level.

Disclosure

Remuneration of senior Executives shall be disclosed in accordance with the laws and regulations issued by regulators, through a disclosure in the BoD report on the remuneration of five senior executives who received the highest remunerations, provided that they shall include CEO and CFO.

Performance Management

- The performance of Executives shall be assessed at the year-end; all Executive staff shall receive constructive feedback on performance at the mid-year of "Assessment Point". All performance will be assessed as compared to the objectives agreed at the outset.
- The performance assessment shall be conducted by utilizing performance form, provided that each and every executive officer shall agree on specific objectives upon which he /She will be assessed during the year.
- The performance assessments shall be archived for 5 years.
- The performance assessment methodology of within the Company shall focus on the individual and Company performance, reflected through the remuneration policy that promotes high-performance.

In order to ensure the total independence of positions, the heads of Internal Audit and Head of Compliance shall be assessed in accordance with the SAMA regulations by the Audit Committee. Meanwhile, the Board Risk Management Committee shall assess the Head of Risk Management/ Chief Risk Officer The BoD shall perform the assessment of the CEO and this assessment shall be reviewed and approved by the BoD Chairperson.

Remunerations and Benefits Criteria

The Board of Directors and REMCO shall take into account, in determining and disbursing the remuneration and benefits provided for the Executives, the following criteria:

Remuneration and benefits shall be fair and proportional to the member's competencies, tasks and responsibilities, required to be accomplished.

- 1- Determining the Remuneration and benefits shall be fair and comply with the periodic assessment results of the executive performance, and it is in line with company's strategy, objectives and performance.

- 2- Remunerations shall be aligned with company's businesses, relevant risks, and skills required for the position held by Executive member.
- 3- Insurance business complexity, company's workload, and expertise of Executives shall be taken into consideration when the remunerations and benefits are determined.
- 4- Determining the remuneration and benefits shall be reasonably sufficient to attracting and motivating competent and experienced Executives.
- 5- Best Practices shall be taken into consideration in determining the remunerations in order to avoid unreasonable rise of remuneration and compensations.

Indemnity

Please refer to SABB Takaful Indemnity Policy.

Implementation and Verification

REMCO shall be responsible for reviewing the implementation and assessment of this policy's effectiveness in line with the company's strategy and objectives, after the approval of the BOD and General Shareholders Assembly.

References:

- 1- Insurance Corporate Governance Regulations issued by Saudi Arabian Monetary Authority (SAMA)
- 2- Corporate Governance Regulations issued by Capital Market Authority (CMA)
- 3- Recruitment Requirements for the Leading Positions within Financial Institutions controlled and issued by SAMA
- 4- Powers Conferred on by the Board of Directors to the Executive Committee and CEO
- 5- Human Resources Policies



Agenda 14: To vote on update Audit committee charter and terms of reference. (attached).

Summary of Proposed Amendments / Proposed Changes made to the Document

Document Name : AUCOM TOR
 Date of Amendments : 31 March 2021
 Request for : Review / Approval

Old Version	Amended Version
<p>Page Number: 3</p> <p>Preamble: The Audit Committee is a Board Committee with direct reporting line to the Board. Members of the Committee must have deep and professional knowledge in the financial reporting, insurance business, auditing and risk management, where One of the Committee members must be specialized in financial and accounting affairs</p>	<p>Removed</p>
<p>Page Number: 3</p> <p>First: Purpose</p> <ol style="list-style-type: none"> 1. Audit Committee Regulation in Insurance and Reinsurance companies (hereinafter referred to as the Regulation) enumerates SAMA's requirements in terms of organizing Audit Committees' activities in Insurance and/or Reinsurance Companies. 2. The objective of this Regulation is to compel Insurance and/or Reinsurance Companies to apply high standards to Audit Committees' activities. 3. As per this Regulation, the Company is required to comply with this Regulation in conjunction with the Supervision of Cooperative Insurance Companies Control Law promulgated by Royal Decree M/32 dated 2/6/1424 H and its Implementing Regulations, and the Insurance Corporate Governance Regulations and the Requirement for Appointments to Senior Positions in Financial Institutions Supervised by the Saudi Arabian Monetary Authority and relevant Laws, Regulations, Instructions and Decision. 4. These terms of reference also covers the provisions outlined in the Saudi Companies Act, and the Corporate Governance Regulations issued by the Capital Market Authority 	<p>Page Number: 3</p> <p>Purpose & Scope</p> <ol style="list-style-type: none"> 1. The purpose of the Audit Committee (the Committee) is to assist the Board of Directors (the Board) in their oversight of the: <ol style="list-style-type: none"> i. Adequacy and effectiveness of the Company's internal controls. ii. Financial reporting process and the integrity of the publicly reported results and disclosures made in the financial statements. iii. Effectiveness, performance and independence of the Company's internal and external auditors. 2. The Board of Directors is ultimately responsible for the work of the Audit Committee and shall discuss and follow up its work to ensure that it performs its assigned responsibilities and duties. 3. The work to be carried out by the Audit Committee would be in accordance with the Regulation, as well as the Corporate Governance Regulations issued by the Capital Market Authority. 4. The Audit Committee will use this Charter in discharging its obligations under the Regulation

<p>Page Number: 3</p> <p>SAMA: Saudi Arabian Monetary Authority</p>	<p>Page Number: 3</p> <p>SAMA: The Saudi Central Bank</p>
<p>Page Number: 4</p> <p>Corporate Governance Regulations : the Rules issued by the CMA pursuant to resolution number (5-16-2017) on 16/5/1438H corresponding to 13-02-2017 setting forth the aspects of governance of listed companies, which included definition of shareholders rights, disclosure requirements, formation of Boards of Directors, Board Committees and conflict of interests, in addition to the regulatory directives issued by CMA pertaining to the APs governance.</p>	<p>Removed</p>
<p>Page Number: 4</p> <p>Companies Act: The Act issued in 2015 for regulating the requirements regarding the establishment and operation of companies in the Kingdom of Saudi Arabia</p>	<p>Removed</p>
<p>Page Number: 5</p> <p>Compliance requirements</p> <ol style="list-style-type: none"> 1. Adequate records must be maintained by the Company to demonstrate compliance to the Regulation, including but not limited to, the Audit Committee's minutes of the meetings, reports and recommendations. 2. the Company must establish written procedures for internal control to ensure and monitor compliance with this Regulation. the Company shall also ensure compliance of contracted parties with this Regulation 	<p>Page Number: (7 & 8)</p> <p>Appointment of the Chairman and the Secretary</p> <ol style="list-style-type: none"> 1. Minutes of the meetings shall be distributed to the parties concerned within a period not exceeding fifteen (15) days. The person or department(s) responsible for implementing the resolutions taken shall be determined. The Committee should, at the beginning of each year, set a timetable for receiving reports from the parties concerned, and shall require that the mechanism for the collection, preparation and submission of reports and data is in place by the parties and in line with the internal adopted policy. It shall also ensure the preparation of important information and its presentation to the Board on a timely basis. 2. Minutes of the meetings shall be recorded, signed by the Chairman and either at least one other member of the Committee or the Secretary of the Committee, and entered into an official register. 3. Minutes of the meetings shall indicate the meeting's attendance, topics discussed, major deliberations, voting process, objections and abstentions from voting (with reasons if any), decisions taken, and reservations. All records and documents reviewed during the meeting and/or referred to in the minutes shall be attached to the minutes
<p>Page Number: 5</p> <p>Board of Directors Responsibilities:</p>	<p>Removed</p>

<ol style="list-style-type: none"> 1. The Board of Directors is fully responsible for the Audit Committee's businesses in pursuance of the regulations and instructions under which the Company operates. 2. The Board of Directors is responsible for ensuring the efficiency and effectiveness of the controls and financial reports and for safeguarding the assets of the Company. 	
<p>Page Number: (5 & 6)</p> <p>Board of directors Obligations: Taking into consideration that the Audit Committee formed by the resolution of General Assembly on the recommendation of the Board of Directors and delegated to carry out specific actions, therefore, the Board of Directors obligations shall include but not be limited to the following:</p> <ol style="list-style-type: none"> 1. The Board of Directors and senior management of the Company shall provide all that is required from them in order to facilitate the work of the Audit Committee, Internal Audit Department and Compliance Control Department. 2. The Board of Directors shall ensure that the Company has in place an appropriate organizational structure, internal policies and regulations that must be periodically reviewed, and the system and methodology for reporting within the Company on the different issues that fall within the remit of the Audit Committee. 3. The Board of Directors shall formulate the responsibilities and functions of the Audit committee and incorporate them in the minutes of a board meeting, including the authority to investigate any activity within its terms of reference and have access to any information it may need. 4. The Board of Directors shall select the Audit Committee members in accordance with Selecting Procedures of the Audit Committee's members, manner in which the Audit Committee monitors its activities and the duration of the Audit Committee issued by the General Assembly upon a recommendation of the Board. In addition, the Board of Directors shall fix their duration terms, schedule their rotations and ensure their meetings are held on a sufficient periodic basis. 5. The Board of Directors shall follow up the Audit Committee's work, ensure that it performs its assigned responsibilities and duties and discuss relevant issues with it, including reports prepared by the Audit 	<p>Removed</p>

<p>Committee. The Board shall also ensure that the Audit Committee follow up with the local and international developments in accounting standards.</p> <p>6. The Board of Directors shall ensure that the Audit Committee plays an oversight and supervisory role and does not exercise executive functions or make administrative decisions.</p> <p>7. The Board shall specify the scope of the report of the internal audit unit or department, based on recommendations from the audit committee. The report shall include the following in particular:</p> <ul style="list-style-type: none"> • procedures for monitoring and overseeing the financial affairs, investments and risk management; • assessing the development of risk factors threatening the Company and the existing systems, in order to confront radical or unexpected changes in the Stock Exchange; • an assessment of the performance of the Board and the Senior Management with respect to the implementation of internal control systems, including specifying the number of times the Board has been informed of control issues (including risk management) and a description of the method followed to address such issues; • failures or weaknesses in the implementation of internal control, or emergency situations that have affected or may affect the Company's financial performance, and the measures taken by the Company to address such failures (particularly the issues disclosed in the Company's annual reports and its financial statements); • the extent to which the Company has complied with the internal controls when determining and managing risks; and • Information describing the Company's risk management operations 	
<p>Page Number: 7</p> <p>Scope of Authority:</p> <p>The Audit Committee is entitled to contact directly the Board of Directors, senior management of the Company, all employees, committees, legal advisors, internal and external auditors and other parties related to the Company. It may also review all private and confidential records and documents necessary to perform its activities. The Audit Committee also has the right to</p>	<p>Page Number: 4</p> <p>Scope of Authority</p> <p>1. The Audit Committee is entitled to contact, and receive information directly from, the Board of Directors, Senior Management of the Company, all employees, committees, legal advisors, internal and external auditors and other parties related to the Company. It may also review all private and</p>

<p>seek the assistance of any external consultant to do specific tasks in order to assist it in performing its work</p>	<p>confidential records and documents necessary to perform its activities. The Audit Committee also has the right to seek the assistance of any external consultant to do specific tasks in order to assist it in performing its work as it deems fit.</p> <ol style="list-style-type: none"> 2. The Board of Directors and Senior Management of the Company shall provide all that is required from them or requested from them in order to facilitate the work of the Audit Committee, Internal Audit Department and the Compliance Department. 3. The Audit Committee shall play an oversight and supervisory role and shall not exercise executive functions or make administrative decisions. 4. Resolve any disagreements between management and the external auditors regarding financial reporting or review results
	<p>Page Number: 5</p> <p>Conflicts of interest:</p> <p>The Audit Committee member shall disclose to the BOD the transactions made between them and the Company, as well as the nature of relationship. This shall be in accordance with the Company's policies relating to transactions with related parties. The member shall disclose the relationship between him and the Company's BOD and executive directors</p>
<p>Page Number: 9</p> <p>Membership Organization</p> <ul style="list-style-type: none"> • The Audit Committee member shall not be one of the executive members of the Board • The Audit Committee member nominated for membership shall be independent 	<p>Page Number: 6</p> <p>Organization</p> <ul style="list-style-type: none"> • The majority of the members of the Audit Committee shall be independent • The members of the Audit Committee shall always be fully informed of the course of business and act in good faith; with due diligence; in compliance with the applicable laws and regulations; and in the best interest of the Company's shareholders policyholders, and other stakeholders. • The members of the Audit Committee shall perform their duties free from any external influence, whether from within or outside the Company. Members of the Committee shall not allow their own personal interest, or the interest of the parties they represent, to come before, or in conflict with, that of the Company, its shareholders, and other stakeholders. • The members of the Audit Committee are prohibited from disclosing to shareholders or the public any confidential information obtained as they perform their role, other than in the general assembly, and

	must not use such information for their own benefit and personal gain
Page Number: 10 Appointing the Chairman and the Secretary of the Committee: <ul style="list-style-type: none"> Chairman of the Board shall not be chairman of the Audit Committee The Chairman of the Board shall not be a member or Chairman of the Audit Committee The Secretary of the Audit Committee shall not be a Secretary of any other board committee 	Page Number: 7 Appointment of the Chairman and the Secretary <ul style="list-style-type: none"> Removed Removed The Secretary of the Audit Committee shall not be a Secretary of any other Board committee. The secretary shall give advance notices, send meeting agendas with any available relevant materials to members and ensure their delivery within a period of (10) working days prior to the meeting
Page Number: 11 Committee's tasks In order to perform its duties, the audit committee may: <ul style="list-style-type: none"> review the Company's records and documents request any clarification or statement from the Board members or the Executive Management request that the Board calls for a General Assembly Meeting if its activities have been impeded by the Board or if the Company has suffered significant losses and damages The audit committee shall be competent in monitoring the Company's activities and ensuring the integrity and effectiveness of the reports, financial statements and internal control systems	Page Number: 9 Tasks In order to perform its duties, the Audit Committee shall have: <ul style="list-style-type: none"> unfettered access to all of the Company's records and documents the power to request any information or clarification or statement from the Board members or the Senior Management or any member of the staff or third parties carrying out work for the Committee the power to request the Board to call for a General Assembly Meeting if its activities have been impeded by the Board or if the Company has suffered significant losses
Page Number: 11 Committee's tasks <u>Financial Reports</u> <ul style="list-style-type: none"> analyzing the Company's interim and annual financial statements before presenting them to the Board and providing its opinion and recommendations thereon to ensure their integrity, fairness and transparency providing its technical opinion, at the request of the Board, regarding whether the Board's report and the Company's financial statements are fair, balanced, understandable, and contain information that allows shareholders and investors to assess the Company's financial position, performance, business model, and strategy analyzing any important or non-familiar issues contained in the financial reports accurately investigating any issues raised by the Company's chief financial officer or any person 	Page Number: 9 Tasks <u>Financial Reports</u> <ul style="list-style-type: none"> Reviewing and discussing the Company's interim quarterly and annual financial statements with Senior Management and/or external auditors before presenting them to the Board and providing its recommendations thereon Providing its technical opinion, whenever requested by the Board, regarding with respect to the Board Report and the Company's financial statements Reviewing and discussing with Senior Management and/or the external auditors any significant matters contained in the financial reports Reviewing and discussing with Senior Management and/or the external auditors,

<p>assuming his/her duties or the Company's compliance officer or external auditor</p> <ul style="list-style-type: none"> • examining the accounting estimates in respect of significant matters that are contained in the financial reports; and • examining the accounting policies followed by the Company and providing its opinion and recommendations to the Board thereon • Discussing the annual and interim quarterly financial statements with the external auditors and the Company's Senior Management before the issuance thereof • Reviewing critical accounting policies and procedures as well as the modifications that might be introduced thereto • Reviewing intra-group transactions and related parties transactions. • Reviewing the Actuary reports and making recommendations thereon for the Board. • Ensuring SABBT's compliance with the Actuary's proposals and recommendations, where these are mandatory and required by Regulations or SAMA's instructions. • Review of outsourcing Agreements with regard to outsourcing of investment functions 	<p>significant accounting estimates contained in the financial reports</p> <ul style="list-style-type: none"> • Reviewing and discussing with Senior Management and/or the external auditors the appropriateness of the accounting policies followed by the Company and providing and recommendations, if any, to the Board • Reviewing and discussing with Senior Management and/or the external auditors intra-group and other related party transactions • Reviewing and discussing with Senior Management and/or the Appointed Actuary, the actuarial reports and making recommendations, if any, to the Board • Ensuring that the Company is instructed to act upon the Appointed Actuary's proposals and recommendations, where these are mandatory and required by Regulations or SAMA's instructions
<p>Page Number: 12</p> <p>Committee's tasks <u>Internal Audit</u> The Audit Committee monitors the Company's internal audit function and is responsible for ensuring its effectiveness in performing the duties and tasks assigned by the Board of Directors, and its Head reports to and being evaluated by the Committee. The committee shall be responsible for the following:</p> <ul style="list-style-type: none"> • Appointing or dismissing the head of the Internal Audit Department or the Internal Auditor after obtaining SAMA's written non-objection • examining and reviewing the Company's internal and financial control systems and risk management system • analysing the internal audit reports and following up the implementation of the corrective measures in respect of the remarks made in such reports; and • monitoring and overseeing the performance and activities of the internal auditor and internal audit department of the company, if any, to ensure the availability of the necessary resources and their effectiveness in performing the assigned activities and duties 	<p>Page Number: 10</p> <p>Tasks <u>Internal Audit</u> The Audit Committee monitors the Company's Internal Audit function in the performance of its duties. The Head of Internal Audit reports to and is evaluated by the Committee. The Committee shall be responsible for the following</p> <ul style="list-style-type: none"> • Reviewing and approving the activities, resources, organizational structure, Audit Plan and Charter of the Internal Audit Department. • Appointing or dismissing the Head of the Internal Audit Department or the Internal Auditor after obtaining SAMA's written non-objection. • Determine the monthly salary, bonus and other remuneration of the staff of the Internal Audit Department as well as the Head of Internal Audit in accordance with the Company's internal policies as approved by the Board. • Assuring the independence of the Internal Audit Department or the Internal Auditor in performing

<ul style="list-style-type: none"> • providing a recommendation to the Board on appointing the manager of the internal audit unit or department, or the internal auditor and suggest his/her remunerations. • Ensuring the independence of the internal audit department or the internal auditor in performing their tasks, and ensuring that there are no restrictions on their scope of work or any impediments that might negatively affect their work. • Reviewing the audit plan of the internal auditors. A three year-based Internal Audit Plan should be reviewed each year –which are based on Risk severity, previous audit reports and are approved each year before commencement of the year. Further, Audit committee will obtain and review the external auditors Audit plan. • Reviewing the reports of the Internal Audit Department or the Internal Auditor and submitting the related recommendations to the Board. • Determining the monthly salary, bonus and other remuneration of the Internal Audit Department or the Internal Auditor in accordance with SABBT’s internal by-laws approved by the Board 	<p>their tasks, and ensuring that, based on the information available to the Audit Committee, there are no restrictions on their scope of work or any impediments that might negatively affect their work</p> <ul style="list-style-type: none"> • Reviewing the Internal Audit reports and the follow-up of the implementation of the corrective measures in respect of the comments made in such reports
<p>Page Number: (12 & 13)</p> <p>Committee’s tasks <u>External Auditor</u> In general term, the Company shall assign the function of auditing its annual accounts to an independent and competent external auditor who possesses the necessary expertise and qualifications to prepare an objective and independent report to the Board and the shareholders, setting out whether the Company’s financial statements clearly and impartially express the financial position of the Company and its performance in the significant areas. The Audit Committee shall be responsible for the following:</p> <ul style="list-style-type: none"> • providing recommendations to the Board to nominate external auditors, dismiss them, determine their remunerations, and assess their performance after verifying their independence and reviewing the scope of their work and the terms of their contracts; This may include ensuring that the nominated external auditors have the necessary experience in auditing Insurance and/or Reinsurance Companies • verifying the independence of the external auditor from the Board members and the senior management of the company, ensuring its objectivity, fairness, and effectiveness of the audit activities, taking into account the relevant rules and standards • reviewing the plan of the Company's external auditor and its activities, and ensuring that it does not provide 	<p>Page Number: 10</p> <p>Tasks <u>External Auditor</u> The Audit Committee shall be responsible for the following with respect to the external auditors:</p> <ul style="list-style-type: none"> • Providing recommendations to the Board to appoint the external auditors, dismiss them, determine their remuneration, and assess their performance after enquiring with respect to their independence and reviewing the scope of their work and the terms of their contracts; This may include enquiring if the nominated external auditors have the necessary experience in auditing Insurance and/or Reinsurance Companies • Consider and enquire about the independence of the external auditors from the Board members and the Senior Management of the Company and review potential conflicts of interest when identified • Reviewing the scope and plan of the external auditors and their activities and review potential conflicts of interest when identified • Responding to queries of the Company's external auditors

<p>any technical or administrative works that are beyond its scope of work, and provides its opinion thereon</p> <ul style="list-style-type: none"> • responding to queries of the Company's external auditor; and • reviewing the external auditor's reports and its comments on the financial statements, and following up the procedures taken in connection therewith. • Coordinating between internal and external auditors • Reviewing the external auditors' reports and making recommendations thereon for the Board 	
<p>Page Number: (13 & 14)</p> <p>Committee's tasks <u>Ensuring Compliance</u></p> <p>The committee is catered to handle reviewing the reports submitted from the Compliance function, Compliance Committee, and to oversee their effectiveness and evaluate the performance of the Compliance Officer on an annual basis, and in addition, the committee also is responsible for the following:</p> <ul style="list-style-type: none"> • Appointing or dismissing the head of the Compliance Control Department or the Compliance Officer after obtaining SAMA's written non-objection • reviewing the findings of the reports of supervisory authorities and ensuring that the Company has taken the necessary actions in connection therewith • ensuring the Company's compliance with the relevant laws, regulations, policies and instructions • reviewing the contracts and proposed Related Party transactions, and providing its recommendations to the Board in connection therewith; and • reporting to the Board any issues in connection with what it deems necessary to take action on, and providing recommendations as to the steps that should be taken • Ensuring the independence of the Compliance Control Department or the Compliance Officer in performing their tasks, and ensuring that there are no restrictions on their scope of work or any impediments that might negatively affect their work • Reviewing, approving, and monitoring the implementation of the compliance plan. • Reviewing the reports of the Compliance Control Department or the Compliance Officer and making recommendations thereon for the Board. • Reviewing the comments of SAMA and other relevant supervisory and control entities related to any regulatory violations or corrective actions requested and making recommendations thereon for the Board. • Following-up the reports issued by SAMA and other relevant supervisory and control entities and making recommendations thereon for the Board. 	<p>Page Number: (10 & 11)</p> <p>Tasks <u>Compliance</u></p> <p>The Audit Committee monitors the Company's Compliance function in the performance of its duties. The Head of Compliance reports to and is evaluated by the Committee. The Committee shall be responsible for the following:</p> <ul style="list-style-type: none"> • Reviewing and approving the activities, resources, organizational structure and the Compliance Plan. • Appointing or dismissing the Head of Compliance after obtaining SAMA's written non-objection. • Determine the monthly salary, bonus and other remuneration of the staff of the Compliance Department as well as the Head of Compliance in accordance with the Company's internal policies as approved by the Board. • Assuring the independence of the Compliance Department or the Head of Compliance in performing their tasks, and ensuring that, based on the information available to the Audit Committee, there are no restrictions on their scope of work or any impediments that might negatively affect their work. • Reviewing the progress of the Compliance Plan and other Compliance reports and the follow-up of the implementation of the corrective measures in respect of the comments made in such reports. • Reviewing the comments of SAMA and other relevant supervisory authorities related to any regulatory violations or corrective actions requested and making recommendations thereon for the Board, where requested

<ul style="list-style-type: none"> • Determining the monthly salary, bonus and other remuneration of the Compliance Control Department or the Compliance Officer In accordance with SABBT's internal by-laws approved by the Board • Following-up on the important lawsuits filed by or against SABBT and submitting periodic reports thereon to the Board 	<ul style="list-style-type: none"> • Following-up the reports issued by SAMA and other relevant supervisory authorities and making recommendations thereon for the Board, where appropriate
<p>Page Number: 14</p> <p>Committee's tasks <u>Other matters;</u></p> <ul style="list-style-type: none"> • Assessing the efficiency, effectiveness and objectivity of work performed by the external auditors, the Internal Audit Department or the Internal Auditor, and the Compliance Control Department or the Compliance Officer. Such evaluations of Internal Audit and Compliance Department to be carried out annually in Quarter 1 of a year and will be based on, the completion of annual plan, areas covered and scope of coverage, quality of the report, timely delivery of the report, appropriate escalation to the Audit Committee and follow-up of issues raised. • The Committee shall be accountable to the Board and shall assist the Board in meeting its responsibilities in ensuring an effective system of internal control and compliance and for meeting its external financial reporting obligations; • To receive reports on the treatment of substantiated complaints regarding accounting, internal accounting controls or auditing matters received through the Disclosure Line (or such other system as the Audit Committee may approve) for the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters, and to report any significant actual, suspected or alleged fraud (involving misconduct or unethical behavior related to financial reporting) or misrepresentation of assets to the Board. • Reviewing the internal and external auditors' assessment of internal control procedures. • Ensuring SABBT has a written code of conduct duly approved by its Board of Directors to ensure that SABBT's activities are conducted in a fair and ethical manner. • Ensuring the optimal use and controls of information technology necessary to generate accurate and reliable information and data are in place. 	<p>Page Number: 11</p> <p>Tasks <u>Other matters;</u> Other matters to be dealt with by the Audit Committee include the following</p> <ul style="list-style-type: none"> • To receive reports on the treatment of substantiated complaints regarding accounting, internal accounting controls or auditing matters received through the Disclosure Line (or such other system as the Audit Committee may approve) for the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters, and to report any significant actual, suspected or alleged fraud (involving misconduct or unethical behaviour related to financial reporting) or misrepresentation of assets to the Board. • Review of semi-annual report of all complaints received. • Preparation of a report that presented to the General Assembly annually as required by regulations and the Company Law. • Assuring that the Company is making optimal use of and has instituted controls over information technology to generate accurate and reliable information and data, to the extent possible within the available infrastructure. • Reviewing lawsuits filed by or against the Company that could have a significant financial impact, and submitting periodic reports thereon to the Board. • Ensuring that the Company has a written code of conduct duly approved by its Board of Directors to ensure that the Company's activities are conducted in a fair and ethical manner

<ul style="list-style-type: none"> • Responsibility of Audit Committee with regard to Corporate Governance: • accurately investigating any issues raised by the Company's chief financial officer or any person assuming his/her duties or the Company's compliance officer or external auditor • examine the accounting estimates in respect of significant matters that are contained in the financial reports, • Reporting to the Board any issues in connection with what it deems necessary to take action on, and providing recommendations as to the steps that should be taken. • Review of semi-annual report of all complaints referred or will be referred in the future for litigation purposes. • The Audit Committee shall prepare a report that presented to the General Assembly annually. The report of the audit committee shall include details of its performance of its competencies and duties stated in the Companies Law and Its Implementing Regulations, provided that the report contains its recommendations and opinion on the adequacy of the internal and financial control systems and risk management systems in the Company. 	<ul style="list-style-type: none"> • Reviewing the internal and external auditors' assessment of internal control procedures through their reports. • Assessing the effectiveness and objectivity of the work performed by the external auditors, the Internal Auditor, and the Head of Compliance
<p>Page Number: 15</p> <p>Committee's Decisions</p>	<p>Page Number: 8</p> <p>Voting</p>
<p>Page Number: 16</p> <p>Committee's meeting attendance</p>	<p>Page Number: 8</p> <p>Meeting Invitees</p>
<p>Page Number: 16</p> <p>Audit Committee Action Plan:</p> <p>The Audit Committee shall develop its charter that shall be approved by the Board's decision. This charter shall include the Audit Committees' rules, responsibilities and obligations. In addition to the Charter which , the Audit Committee shall develop a detailed annual action plan that includes the key topics to be discussed during the year and meeting dates</p>	<p>Page Number: 9</p> <p>Plan</p> <p>The Audit Committee shall develop a detailed annual plan that includes the key topics to be discussed during the year and meeting dates</p>
<p>Page Number: 16</p> <p>Committee's connection with the External Auditors:</p> <p>The relevant issues between the Audit Committee and the external auditors shall include as a minimum:</p> <ol style="list-style-type: none"> 1. Key amendments made by the Company to its accounting policies. 	<p>Removed</p>

<ol style="list-style-type: none"> 2. Material conflicts with the management regarding any issue pertaining to the safeguarding of invested assets. 3. Violations of Laws, Regulations and Instructions issued by the supervisory and control entities or non-compliance with the Company's policies and procedures. 4. Comments of other auditors (of external, non-Saudi Arabian, branches) on accounting procedures, reports and professional conduct. 5. Deficiencies in the general structure and performance of internal control systems. 6. Material errors in Financial statements 7. Management decisions and the basis on which the external auditors relied to validate critical accounting estimates, such as technical provisions and reserves. 8. Accounting principles and standards and disclosure decisions related to extraordinary transactions. 9. Adequacy of technical provisions and reserves set by the Actuary. 10. Actuary's Reports relevant to the Financial statements 11. Any major problems in dealing with the management that affected the working of the audit. 12. Internal control and the assessment of the Company's assets and solvency. 13. Any other issues that the committee is aware of and falls within its responsibilities. 14. Any amendments introduced to the audit and the reasons thereof. <p>Reviewing letters to management prepared by the external auditors and the Company's Management comments thereon</p>	
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